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Dole Seeks Escape Route From World Trade Body

Emboldened Republicans Alter Stance As They Angle for Clinton Concessions

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — The White House and business groups began a campaign Wednesday to gain congressional ratification of the world trade reduction treaty, but Republican leaders indicated that they would demand a legislative exit hatch allowing the United States to quickly quit the new global trade organization.

The Republican stance, enunciated by Senator Bob Dole, signaled that dicey, private negotiations between the White House and Republican leaders lay ahead for a politically weakened president as he pursues one of his key policy goals.

Senator Dole said he wanted legislation, outside of the GATT accord, to "extricate us from the World Trade Organization, if we are getting adverse decisions. That's the big sticking point."

Votes in the House and Senate on ratification are scheduled for Nov. 29 and Dec. 1, and proponents say any delay will effectively kill the trade agreement, which creates the new World Trade Organization.

Apparently emboldened by their fresh electoral victories in the Senate and House of Representatives, Republican leaders who had previously sworn general allegiance to the global trade deal now are angling for concessions from the Clinton administration.

Mickey Kantor, the top trade adviser to Mr. Clinton, said Mr. Dole's proposal "should be considered carefully" and that agreement was "quite possible."

One longtime opponent of the accord, Senator Jesse Helms, Republican of North Carolina, has demanded a delay of the congressional votes. In a letter this week, he told the White House that if it agreed to a delay, Mr. Helms would promise to fully air White House foreign policy views when he takes over in January as chairman of the Senate Foreign Relations Committee.

White House officials immediately rejected Mr. Helms's overture, saying that any delay would bury the entire global trade deal. Mr. Dole agreed that a vote this year would be preferable.

The White House, at least publicly, maintains that the tariff accord, under the General Agreement on Tariffs and Trade, or GATT, will ultimately pass because it is too important to be lost to partisan politics. Senator Daniel P. Moynihan, a New York Democrat and leading GATT proponent, said Wednesday that ratification

would be an "epic" vote but that he was "hugely concerned" about the outcome.

A wide range of U.S. business leaders sought to publicize their support for the agreement at a news conference in Washington on Wednesday. Before he left Jakarta, Mr. Clinton told a business group there that "the world is looking to the United States for leadership" to complete the GATT agreement and that he must "capitalize" on the bipartisan support.

Mr. Kantor said world leaders were watching.

"They're waiting," he said, "and they're depending on us."

Vice President Al Gore termed the agreement "the biggest tax cut in the history of the world" because tariffs would be reduced so broadly. A delay, he said, would "hurt our country immeasurably."

But Republican pressure is mounting. Representative Newt Gingrich of Georgia, the incoming speaker of the House of Representatives, said Wednesday that he was "very, very concerned" about prospects for ratification and declared that the president "needs to agree" with Mr. Dole's suggestions.

According to one report, Mr. Dole is also seeking the creation of an independent commission to review decisions of the world body.

The World Trade Organization will judge and resolve trade disputes, but no nation will have a veto over the outcome, as in the past. Mr. Dole says he is concerned that the United States will lose sovereignty over its own trade-related laws.

Under the accord, the United States can ignore final World Trade Organization rulings. But it may have to pay a compensating tariff to a country that has successfully argued that Washington's trading practices are unfair for a particular product.

According to some experts, however, the United States is likely to win far more cases than it will lose.

Under the current ratification legislation, Congress can vote to withdraw from the new World Trade Organization after five years.

Moreover, the president can withdraw the United States from the organization after giving six months' notice. Presumably, Mr. Dole is seeking language that will give Congress greater authority to pull the United States out.



PENSIONA

ANGER OF THE AGED — Retired people marching Wednesday in Rome to protest planned pension cuts. Page 2.

Battered Dollar Looks Set for a Reprieve

By Carl Gewirtz
International Herald Tribune

PARIS — The market's mood toward the dollar has clearly improved.

After the unexpectedly big increase in U.S. interest rates, traders were cautiously optimistic about the dollar, and the dollar held on to much of the gains it scored on Tuesday.

Traders said that there was no massive rush to buy the currency Wednesday, explaining that with the approaching year-end closing of books and the dollar's disappointing performance this year, investors were hesitant to stake out new positions now. The U.S. unit closed Wednesday in New York at 1.5505 Deutsche marks, off from 1.5558 DM on Tuesday.

But analysts such as Andres Drobny at CS First Boston in London and Christopher Iggo at Chase Manhattan Bank in New York, who earlier this month were warning of a possible collapse of the dollar, are now clearly more upbeat.

"The prospect of a collapse has been eliminated," Mr. Drobny declared. "There has been a sea change in the environment," he said, following the higher-than-expected raise in U.S. interest rates by the Federal Reserve Board on Tuesday.

Mr. Iggo agreed that following the Fed's "strong signal that it's determined to slow growth and keep inflation low means that the dollar is unlikely to test its historic lows against the Deutsche mark or the yen this year."

He said the dollar would be trading between 1.50 and 1.58 DM through the end of the year, and between 97 yen and 100 yen. But he was cautious about the outlook for next year, saying that it would depend on how successful the Fed is in slowing U.S. growth to a level consistent with control of inflation.

Paul Cherkow at Union Bank of Switzerland in London expected the dollar to trade higher. But at present, he said, trading activity is thin. "We have a situation

Dow Jones	Trib Index
Up 18.84	Up 0.26%
2245.20	114.76

The Dollar	Wed. close	previous close
DM	1.5505	1.5558
Pound	1.5735	1.572
Yen	98.36	98.75
FF	5.324	5.3425

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Declaration on Asia-Pacific Trade: It Is Bolder Than It Looks

By Andrew Pollack
New York Times Service

JAKARTA — In setting their vast and vital region on the path toward free trade by the year 2020, the leaders of 18 nations around the Pacific Ocean have taken a step that may seem at first glance to be more cautious than bold.

After all, as one prime minister noted Tuesday, the sultan of Brunei (who rules for life and is 48) was the only one among the leaders in the room with a chance of still being in office in 26 years.

Carrying out the free-trade agreement, however, will be far more arduous and contentious than merely enunciating the vision. The leaders described what they had done as "historic," but the judgment of history is likely to depend not so much on what was said as how the leaders' "declaration of common resolve" is translated into action.

The Bogor Declaration, issued from a colonial-era palace in Bogor, 65 kilometers south of Jakarta, proclaimed a "commitment" to achieve "free and open trade and investment" in the Asia-Pacific region by the year 2020.

The industrialized nations in the group, such as the United States, Japan and Canada, are to achieve the goal no later than the year 2010.

The goal is ambitious — the world's largest free-trading area, one that spans four continents and encompasses countries that now account for more than half the world's economy, and more than 40 percent of its trade.

"This is the biggest single trade initiative in history," said C. Fred Bergsten, the American economist who chaired an advisory committee that helped draft the plan. "This is half the world deciding to eliminate barriers to trade and investment."

By contrast, he said, the General Agreement on Tariffs and Trade covers potentially the entire world, but does not seek complete elimination of barriers.

But it will probably take several years for the first tariff cuts or other measures to be seen. The advisory committee chaired by Mr. Bergsten called for the first tariff cuts and other liberalization steps to begin in the year 2000. But that date did not make it into the final draft of the Bogor Declaration.

Dismantling trade barriers will also not come naturally for the countries of East Asia. They have achieved their rapid economic growth in part through a strategy of

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Ireland Faces Elections as Coalition Falls In Court Feud

Labor Party Disregards Reynolds's Warning on Ulster Peace Process

By James F. Clarity
New York Times Service

DUBLIN — The coalition government of Prime Minister Albert Reynolds collapsed Wednesday when Foreign Minister Dick Spring withdrew the support of his Labor Party.

Mr. Spring's decision will lead almost inevitably to a general election before Christmas.

Mr. Reynolds had been striving for five days to preserve the two-year-old coalition, defending himself against charges of arrogance and deviousness made by his coalition partners of the Labor Party. Mr. Reynolds had argued that a change of government would impede efforts toward peace in Northern Ireland, in which he has had a significant role.

But, Wednesday night, after a long day of angry speeches and parliamentary bugging-mugger, Mr. Spring said he and other Labor Party ministers would not support a vote of confidence in Mr. Reynolds in the Parliament, and would resign from the government.

That produced several possible scenarios: Mr. Reynolds could apply to President Mary Robinson for a dissolution of the 166-member Parliament. She could grant it, setting up national elections in December.

Or she could use her constitutional authority to refuse Mr. Reynolds, and allow Labor and opposition parties to try to form a new coalition government without Mr. Reynolds and his Fianna Fail party.

There was also the possibility that Mr. Reynolds could resign as prime minister before Labor nails down his defeat in the confidence vote Thursday morning. His party could then choose a new leader and try to persuade Labor to support this leader as prime minister in a new coalition. Or Mr. Reynolds could remain as leader and try to lead his party win an outright majority in an election, obviating the need for a coalition.

The collapse came after Mr. Spring, who is deputy prime minister as well as foreign minister, accused Mr. Reynolds of suppressing facts in the dispute that derailed the political crisis.

Last Friday, Labor ministers walked out of a cabinet meeting to protest Mr. Reynolds's decision to promote on the same day his attorney general, Harry Whelehan, as president of the High Court, the country's second-highest judicial post.

Labor had argued against the appointment, insisting that Mr. Whelehan explain to Parliament his failure to act in a case involving extradition warrants from Northern Ireland for a Roman Catholic priest accused, and later convicted, of child molestation. The case has caused an uproar of political and public invecive in this predominantly Roman Catholic country. The promotion put Mr. Whelehan beyond Parliament's power to question him.

In Parliament on Tuesday, Mr. Reynolds said he would not resign.

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School Prayer Takes Center Stage But Amending U.S. Constitution Won't Be Easy

WASHINGTON — The long-standing debate over prayer in American public schools, which hovered on the margins of the congressional elections, has ballooned into a front-and-center issue for the White House and the resurgent Republicans in Congress.

The question has been propelled by recent comments from President Bill Clinton and the incoming speaker of the House of Representatives, Newt Gingrich of Georgia, who seem to agree that a fresh look at school prayer is warranted.

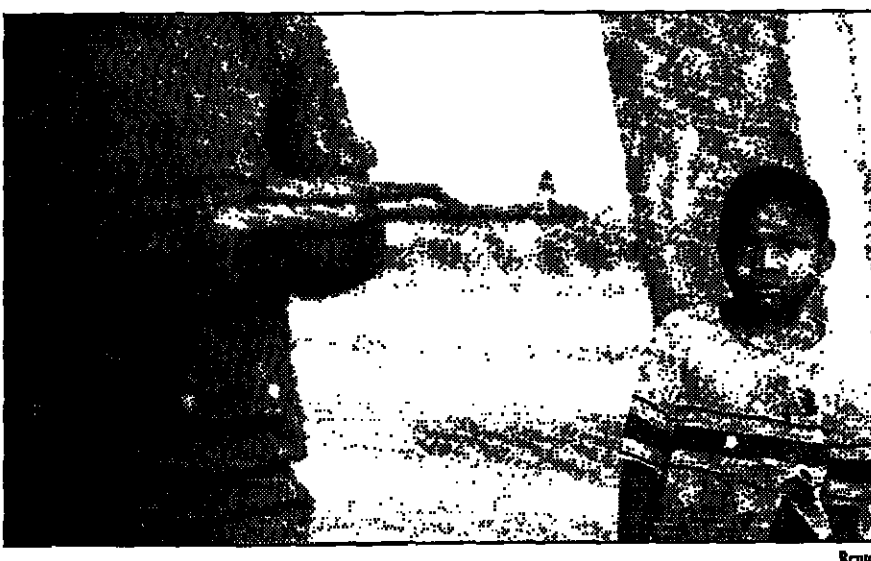
Underlying the debate is a broad concern among Americans, detected in a variety of opinion surveys, that the nation is losing its moral compass.

Civil liberties groups, which have long warned against breaching the legal barrier between church and state, have expressed shock and anger that Mr. Clinton, a Democrat, has now opened a door to amending the constitution in a way that Republican conservatives have long urged. But it is unclear how far Mr. Clinton intends to take the issue.

Mr. Gingrich raised the school prayer question in an interview with a Washington newspaper shortly after the sweeping Republican victories in elections last week. Asked in Jakarta on Tuesday what he thought of the idea of amending the constitution to permit prayer in schools, as Mr. Gingrich had suggested, the president said he would not rule it out.

On Wednesday, Mr. Gingrich in turn

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A young Angolan warily watching a soldier as his country edged toward peace.

Angola Orders Its Troops to Stop Shooting

Compiled by Our Staff From Dispatches

LUANDA, Angola — Angola's army, close to military victory over UNITA rebels, ordered its troops Wednesday to cease fire so that a peace treaty could be signed to end 19 years of war.

If it holds, the cease-fire will open the way for a formal peace treaty that will disband the rebel army, begin integrating the insurgents into the government and a unified military, and set in motion the provisions for United Nations cease-fire monitors.

The formal treaty was to have been signed Tuesday, but Jonas Savimbi, the rebel leader, would not leave his command post in the countryside because the government has continued to fight throughout recent negotiations.

Despite Angola's long history of broken peace agreements, the UN special representative to Angola, Alioune Blondin Beye, declared that the truce meant "there is going to be no more killing in Angola."

Mr. Beye said he was confident that Mr. Savimbi and President José Eduardo dos Santos would sign the full treaty on Sunday in Lusaka, Zambia, where the agreement was reached Tuesday night.

General Eugenio Ngolo, the senior officer at the talks from the rebel UNITA, the National Union for the Total Independence of Angola, agreed.

"We think that it will be done," he said. A government military representative, General Pedro Neto, nodded his concurrence.

The rebels, with their forces hard-pressed, appealed for a rapid deployment of UN monitors.

The Angolan Army chief of staff, General João de Matos, in a statement broadcast

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Without Ethnic Balance, Bosnia Grows More Muslim

By John Pomfret
Washington Post Service

SARAJEVO, Bosnia-Herzegovina — When he began his eighth year of school in September, Dino Becirevic was faced with new choice: a class in religion. Although he should have been offered his pick of three beliefs, Islam was the only option.

In the beginning the 12-year-old stayed away from the classes, but recently he started attending. Religious studies are held in the middle of the day, and there is nowhere to wait on Sarajevo's sometimes dangerous streets until the next class.

"They're teaching us how to pray," the gangly, fair-haired boy said with an embarrassed smirk. "I'd rather learn about computers."

The re-entry of religion into public schools in Bosnia-Herzegovina after a 47-year ban by Communist authorities is part of a series of moves by the mostly Muslim government in Sarajevo to embrace Islam as a state creed. Among other devices are the establishment of pork-free stores, public criticism of mixed marriages as "impure," the firing of all but one non-Muslim director of state-run firms, and official denunciations of an independent newspaper and radio station for their secular ideals.

While the Muslims' Serbian enemies have trumpeted these developments as signs that Islamic fundamentalism is taking root in Bosnia, their significance, according to Western diplomats, appears to be founded more in the authoritarian political culture of Yugoslavia and its former republics than in extremist movements from the Middle East.

Bosnia is not sliding toward an Islamic state, these officials argue, but moving toward a one-party state, controlled by President Alija Izetbegovic's Party of Democratic Action.

The move toward a one-party state with a Muslim edge presents a challenge to a government that founded its struggle against Serbian nationalist aggression on the ideals of a tolerant society.

Throughout the war, the Sarajevo government has employed the motto "multicultural, multiethnic" to spearhead its struggle against the better-armed and better-organized Bosnian Serbs. While the Serbs used tanks and howitzers to grab 70 percent of Bosnia, the Muslims

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Kiosk Nice's Ex-Mayor Is Extradited

MONTEVIDEO (AFP) — The former mayor of Nice, Jacques Médecin, was extradited to France on Wednesday to face corruption and fraud charges.

The Air France jet carrying Mr. Médecin departed for Paris on Wednesday, with stops in São Paulo and Rio de Janeiro. The flight was due in Paris on Thursday morning.

Mr. Médecin, 66, had spent nearly a year in Uruguayan prisons after his arrest Nov. 25, 1993, in Punta del Este, a beach resort east of the capital.

He fled to Uruguay more than four years ago to escape trial on charges of misuse of public funds and corruption.

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Antilles	11.20 FF	Morocco	10 D.	Ff
Cameroon	1.40 CFA	Qatar	8.00 Rials	
Egypt	E.P. 5000	Saudi Arabia	7.00 R.	
France	9.00 FF	Senegal	960 CFA	
Gabon	960 CFA	Spain	200 PTAS	
Greece	200 Dr.	Tunisia	1.000 Din	
Italy	2.400 Lire	Turkey	T.L. 35,000	
Ivory Coast	1.120 CFA	U.A.E.	8.50 Dirh	
Jordan	1 JD	U.S. Mil.	(Eur.) \$1.10	
Lebanon	US\$ 1.50			

A Mystery Deep in Russia's Wilderness: Missing Rangers

By Fred Hiatt
Washington Post Service

MOSCOW — They set out into the wild taiga on Sept. 3, making camp their first night in an old hunter's hut. They breakfasted the next morning, later investigations showed, and had begun preparing lunch: onions, strong tea, thickly sliced bread.

That is the last anyone knows of the three experienced forest rangers and their young friend, who was considering a career alongside them. Now their colleagues fear that all four have become victims of foul play — victims, in fact, of a little-noticed but escalating war between Russia's embattled nature reserves and their impoverished neighboring populations.

Across Russia, poachers, loggers and herdsmen are invading wilderness areas, threatening the dwindling habitats of hundreds of endangered species. Forest rangers, underfunded and poorly trained, are practically defenseless, especially as the fear of authority of the Soviet era gives way to a climate of lawlessness. And ecology activists say that most Russians, preoccupied with other problems, hardly care.

"If four Yellowstone rangers were killed, it would shake America, I'm sure," said Vsevolod Sepantsev, vice chairman of the Biodiversity Conservation Center, an advocacy group in Mos-

cow. "But not enough Russians know where we are or why we're needed. And the overall level of crime is so high, people are convinced that you can kill anybody and get away with it."

"A tragedy has taken place," said Deputy Environment Minister Amirkhan Amirkhanov. "It is too big a loss for us. These were devoted specialists. We cannot allow them to be forgotten."

At the Sayano-Shushensky Nature Reserve in the mountains of southern Siberia, not far from Mongolia, tensions have been growing for years. Forest rangers want to preserve the isolated splendor of their reserve, home to snow leopards, Altai mountain sheep, golden eagles and other endangered species. But neighboring communities, already pushed onto rocky steppeland by foolish Soviet policies, want access to the reserve's mountain meadows to graze their cattle and to hunt.

Ethnic tensions aggravate the problem here, since the reserve borders on the autonomous region of Tuva, a nation of proud horse-riding herdsmen who were independent until 1944 — later than any other part of today's Russia. Neighboring Tuvinians have been evicted from traditional grazing lands. Now reserve officials complain that Tuva authorities have offered little help in the search for the four missing men.

Vladimir Suge-Maadyr, a representative in Moscow of the Tuva Autonomous Republic, angrily denied such allegations. He said the Tuva Interior Ministry had carried out an active search and was continuing to investigate the case.

Mr. Suge-Maadyr also said the case should not be put in the context of ethnic tensions or anger at the reserve.

"Naturally, any person who gets kicked out is going to feel resentful, but to start shooting or start a civil war, nothing like that is happening," he said. "There's crime in Tuva, there's crime in Moscow, there's crime in New York. To accuse an entire people is absolutely unacceptable."

Mr. Amirkhanov agreed that no conclusions could be drawn until the case was solved, but he added, "All signs point to Tuva." He also said that preserve officials and the Tuva authorities must sit down and work out their problems "before everything is entangled in blood."

To some extent, the problems began with the creation of the Sayano-Shushensky reserve in 1976. Although it is in Russia's Krasnoyarsk region, across the border from Tuva, a number of Tuvin families had lived on its territory. They were expelled, and, in some cases, their houses were burned down to make sure they would not return.

"It was a different system then," said a park

biologist, Timur Mukhamediev. "The administration decided, and that's how it was."

Construction in Tuva of a giant dam for hydroelectric power compounded the problem, creating a reservoir that in the mid-1980s put two Tuvin towns under water and flooded much of their best pastureland. As a result, Mr. Mukhamediev said, the steppe between the reservoir and the reserve became even more overcrowded, with overgrazing turning much of it into a "moonscape."

As meadowlands in the nature reserve in the meantime recovered from past overuse, neighboring herdsmen became more and more covetous.

At the same time, the reserve closed a trail that leads through it to a sulphur spring that holds both religious and medical significance for the Tuvinians.

When Alexei Novoselov, 36, and his crew left Sept. 3 for a regular patrol of the reserve's border, they traveled without two-way radios. This was in part due to "complacency," Mr. Mukhamediev said, and in part because the reserve was always short of batteries.

Laborious combing of the preserve has turned up no signs of any of the men, Mr. Mukhamediev said. A comparable search in Tuva has not been permitted, he added.



ALL CLEAR, BUT KEEP OUT — A Lithuanian soldier stopping journalists Wednesday from entering the country's main nuclear power plant, 160 kilometers from Vilnius. The plant was shut down and

searched for a bomb by Lithuanian and Swedish experts after threats to bomb the plant — one from a gang whose leader has been sentenced to death and the other in an apparent extortion attempt.

Berlusconi, Frustrated, Threatens To Call Vote

Compiled by Our Staff From Dispatches

ROME — Prime Minister Silvio Berlusconi used threats of new elections and parliamentary brinkmanship Wednesday to force reforms of the state pension system through the legislature despite vehement public opposition.

Defending the measures and his use of confidence votes to push them through Parliament, he said he would pull the plug on his fractious six-month-old coalition himself unless its members fell into line.

"If all the forces in the majority behave responsibly, I think the government will last," Mr. Berlusconi said in the Chamber of Deputies.

"If someone doesn't show responsibility it won't last," he said. "And it won't be other people who make it fall but the prime minister."

"If it isn't possible to continue governing in the interests of the country then the only thing will be to go back to the voters," he said.

The government holds a 51-seat majority in the lower house. While the Northern League has promised to back Mr. Berlusconi in the chamber vote, it has said it will press for changes to the budget plans in the Senate, where the government does not have an overall majority.

The lower house voted Wednesday, 346 to 208, to support the government in a confidence vote submitted by Mr. Berlusconi to keep pension reforms intact.

The government survived a second no-confidence vote, tied to another aspect of pension reform, 321 to 189.

Such votes mean legislation is automatically passed.

Mr. Berlusconi, elected in March on pledges to take the ax to Europe's largest budget deficit, is championing a budget package that aims to reduce next year's deficit by 48 trillion lire (\$30 billion).

Italy's three main labor unions called Tuesday for an eight-hour general strike on Dec. 2 on the pensions savings, central to the budget plan, after the government decided to put them to the confidence test.

Tens of thousands of workers staged spontaneous protests across Italy on Wednesday. The protests included brief strikes, road and rail blockades, and marches in a number of cities.

The budget law is scheduled to complete its passage through the lower house by Saturday and then go to the Senate.

(AFP, Reuters)

Iran Executes 3 by Stoning

Agence France-Press

TEHRAN — Three people, including a woman, have been stoned to death in Sari, in northern Iran, for murder, rape and adultery.

WORLD BRIEFS

UN Asks to Put Team in North Korea

VIENNA (Reuters) — UN atomic-safeguard officials proposed Wednesday sending a team of experts to North Korea as soon as possible to discuss details of a nuclear freeze agreed between Pyongyang and the United States last month.

The International Atomic Energy Agency said the same team, which would include inspectors, should also start putting in place some of the measures aimed at ensuring that Pyongyang had halted its nuclear program.

The chief of the agency's safeguards department, Bruno Pellet, made the request at talks with North Korea's ambassador to Vienna, Kim Gwang Sop, at the agency's headquarters in the Austrian capital. It was the first official meeting between North Korea and the agency since Pyongyang pulled out of the 121-nation organization in June.

Anti-EU Forces Lead Polls in Norway

OSLO (AP) — Opponents of EU membership held a stable lead in polls published Wednesday, despite predictions that Swedish voters' approval of membership Sunday would sway many Norwegians toward a "yes."

Backers of European Union membership made strong gains in polls published Tuesday, leading to hopes in their camp that Norwegians would vote in favor of joining the EU in a Nov. 28 national referendum. But polls published Wednesday showed that a majority of Norwegians still planned to vote "no."

In an opinion poll conducted for the Oslo newspaper Dagbladet, 57 percent of those who had made up their minds planned to oppose EU entry, an increase of 1 percentage point said 43 percent planned to vote "yes." The Oslo newspaper Verdens Gang said its poll indicated a closer vote, with 52 percent against and 48 percent for. Both newspapers said their figures did not include undecided voters, still a substantial bloc in Norway.

Israel Rights Unit Warns on Torture

JERUSALEM (Reuters) — An Israeli human-rights group on Wednesday condemned a government decision to allow the secret police to get tougher to exact confessions from Palestinian suspects and accused the government of permitting torture.

"The government is trying to widen the crack through which a legal cover can be given to torture," Yizhar Be'er, director of the human-rights group B'Tselem, said at a news conference in Jerusalem.

Political sources said Sunday that a cabinet committee, responding to the killing of more than 25 people by Muslim guerrillas since October, would relax restraints on the Shin Bet internal secret service for a three-month trial period. Justice Minister David Libai, without referring to the specific Shin Bet guidelines, said: "The committee took a decision intended to strengthen the Shin Bet's ability to deal with the wave of terrorism."

Seoul Pulls Diplomats Out of Algeria

SEOUL (AP) — The South Korean government has ordered its diplomats to leave Algeria following a violent Muslim extremist insurgency, the Foreign Ministry said Wednesday.

Ambassador Kwon In Huk and two other embassy officials in Algiers had been under the protection of the local police since unidentified gunmen shot and killed a South Korean business executive in October in a campaign against foreigners. More than 60 have been killed in 14 months.

The government had since evacuated South Korean businessmen, some embassy officials and their family members to Seoul. The ministry said it had decided to evacuate the remaining embassy staff as well, because the situation in Algeria had deteriorated.

TRAVEL UPDATE

EU Is Planning 2 New Rail Projects

STRASBOURG, France (AP) — Two rail projects have been added to an ambitious European Union plan to upgrade transportation links among the dozen nations, the EU's economics chief said Wednesday.

Henning Christophersen said the projects were a high-speed railroad linking Glasgow with southern England, and one linking Ireland with Continental Europe via the English Channel tunnel.

Fourteen projects have now been given high priority for financing by the EU's executive agency as part of a massive public works program designed to create 15 million new jobs by the end of the decade. Mr. Christophersen said he hoped EU leaders would approve blueprints for the projects when they meet at Essen, Germany, Dec. 8-9.

Chinese local officials have banned vehicles from around the museum housing the famous 2,000-year-old terracotta army near Xian, in Shaanxi Province, to prevent damage from exhaust fumes.

Region Air, a Singaporean air charter company owned by a hotelier, Ong Beng Seng, took off Wednesday on its maiden flight, to the Vietnamese city of Vung Tau. It is Singapore's third fully fledged airline, officials said. Region Air is targeting business travelers, primarily in the oil industry, for its twice-weekly flights to Vung Tau, east of Ho Chi Minh City.

(AFP)

France Issues Warning On ATR Commuter Craft

Reuters

PARIS — French aviation authorities said Wednesday that they had issued a warning to airlines flying the ATR-42 and 72 commuter planes to ban use of the autopilot in icy conditions or when flying in severe turbulence.

The notice, sent out on Tuesday, follows a crash on Oct. 31 in the United States of an American Eagle ATR-72, built by a French-Italian consortium. All 68 people on board were killed.

The French aviation agency asked for the warnings to be incorporated in flight manuals within 24 hours.

Last Thursday, the U.S. Federal Aviation Administration issued a warning that icing on the wings of ATRs could cause problems and said it would make a review of the aircraft in conjunction with the French authorities. Icing is considered a possible cause of the crash.

The U.S. National Transportation Safety Board, which is investigating the accident, has called for the planes to be grounded in icy conditions while undertaking a major safety review. The board has also recommended that the strict rules governing major airlines be extended to smaller commuter carriers. The board's recommendations go to the Federal Aviation Administration for action.

Ukraine Ratifies Nuclear Treaty, With Conditions

Agence France-Press

KIEV — The Ukrainian Parliament on Wednesday ratified the Nuclear Nonproliferation Treaty but attached conditions including the signing of an international accord guaranteeing Ukrainian security.

President Leonid Kuchma told Parliament that a memorandum guaranteeing Ukraine's security would be signed by

Britain, Russia and the United States at the Conference on Security and Cooperation in Europe to be held Dec. 9-6 in Budapest.

A Western diplomat in Moscow confirmed that the accord was being prepared.

The Parliament also set a condition that its nuclear materials remain the property of Ukraine, with the proviso that

they could be used only for peaceful purposes.

A third condition was that economic or military pressure from a nuclear state would be considered an exceptional circumstance allowing Ukraine to re-examine its position on the nonproliferation treaty.

The Parliament voted, 295 to 10, to ratify the treaty in principle. A second vote, confirming

the conditions, was passed, 301 to 8.

Russia, the United States and other Western powers have repeatedly pressed Kiev to ratify the treaty, which took effect in 1970 and is due to be renewed in 1995.

The treaty commits nuclear powers not to help nonnuclear states develop atomic weapons, and the nonnuclear states not to

attempt to build them. It also forbids conversion of nuclear technology from civilian to military use.

Under a separate agreement reached in January with Russia and the United States, Ukraine has begun dismantling its arsenal of 176 rockets and about 2,000 warheads inherited from the Soviet armed forces during the breakup of the Soviet Union in 1991.

Major Defies Backbenchers on European Policy

Reuters

LONDON — Prime Minister John Major challenged Conservative Party rebels on Wednesday

to back his government over its European policy or face an early election.

As rightists of the ruling party threatened to vote against a bill to raise British payments to the European Union, government officials said Mr. Major would make it a vote of confidence in his government.

With a majority of only 14, and with rebels triumphant at their scuttling of government plans two weeks ago to privatize the Post Office, Mr. Major could face a tough fight.

But the officials said Mr. Major would not flinch, bringing the EU bill to the House of

Commons as fast as possible, possibly within two weeks.

Although Mr. Major does not have to face election until 1997, defeat in a vote of confidence would force an early poll and almost certainly lead to the Conservatives losing their 15-year hold on power. The resurgent Labor Party leads the Conservatives by 25 points in opinion polls.

The bill, which would raise Britain's contributions to the European bloc by £259 million (\$400 million) a year by 2000, was the most controversial feature of a low-key program unveiled in a speech by Queen

Elizabeth at the state opening of Parliament.

Mr. Major avoided radical measures in the style of his predecessor, Margaret Thatcher, and demanded by her diehard supporters in the party.

The speech unveiled plans to open up the domestic gas market to competition, to equalize the pension age for men and women at 65 by the year 2020 and to authorize the private sector to build a high-speed rail link between London and the Channel Tunnel.

But the dispute over Europe overshadowed other events and

upset Mr. Major's hopes of a period of calm after a year of policy turnabouts and scandal.

A senior Conservative member of Parliament, Sir Marcus Fox, warned in a BBC radio interview that defeat for Mr. Major over the bill could bring down the government and force elections.

But the strong-arm tactic seemed to backfire, with Teresa Gorman and Tony Marlow, two members of a hard core of Conservative rebels on Europe, saying they were astonished at the ultimatum and promising to vote against the bill.

Age May Soon Be No Bar to an English Refuge

Reuters

LONDON — England and Wales will allow children into bars and may possibly open pubs on Sunday afternoons for the first time since World War I, a government minister said Wednesday.

The traditionally restrictive laws governing pubs will be liberalized next year under an order that the Home Office

minister, Michael Forsyth, will propose to Parliament.

Children under 14, at present limited to special family rooms in pubs, will be allowed into the main bars starting next year, Mr. Forsyth said. But magistrates will first have to be satisfied that the pubs concerned offer a family atmosphere, he said.

"Adults will be able to enjoy a drink in

the company of their families," Mr. Forsyth said at a leisure industry conference.

"Children are likely to benefit from seeing sensible drinking in a comfortable and relaxed atmosphere."

He also said he was looking at an anomaly under which pubs can open every afternoon of the week except Sundays. The present position is "not easy to defend," he said.

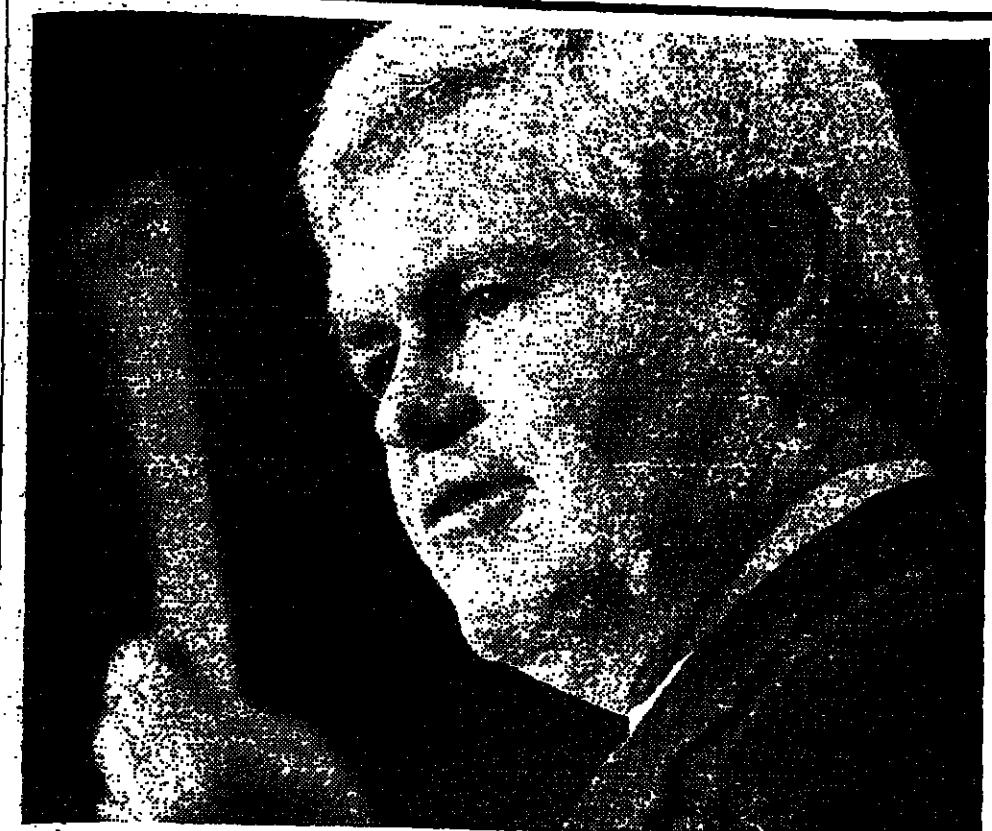
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Cayman Islands 009-0316	GreeceCC 00-800-1211	Luxembourg 0800-0122	Saudi Arabia 01-800-190	Uruguay (Collect not available.) 000-412
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Mr. Gingrich after fending off the press to address the Heritage Foundation.

As Capitol Power Goes, So Go the Lobbyists

By Michael Weisskopf
Washington Post Service

WASHINGTON — No one broke down the door to hire Rick Grafmeyer last year when he decided to quit as minority tax counsel of the Senate Finance Committee. In a town dominated by Democrats at every level, a former Republican congressional aide was in as much demand as a travel agent in a prison yard.

What a difference an election makes. Only hours after the Republican sweep of Congress last week, Mr. Grafmeyer got his first feeler from a Washington law-lobbying shop. By week's end, two more firms offered to bring him in as a full partner.

For all the talk of sweeping political change, there is one immutable requisite of Washington: access to the lords of Capitol Hill. With Democrats calling the shots for most of the century's second half, lobbying firms came to rely on one-time legislative and campaign aides for powerhouses with names like Dan Rostenkowski, John D. Dingell and Robert C. Byrd, who brought with them a guaranteed entrée to their former bosses in exchange for lucrative private sector salaries.

Now that the Democrats have been pushed to the sidelines, the firms are scouting for a new crop of persuaders who can promise the same access to the new Republican bosses who will run the congressional committees, launch the investigations, hire the budgetary analysts and schedule the votes on legislation.

"The perception is if the Republicans run both the House and Senate, you're going to be better off with someone with Republican connections," said Mr.

Grafmeyer, who plans to stay in his job as tax attorney for Ernst & Young.

In the worst position — and in the hottest pursuit of Republican staffers — are the Democratic firms that once seemed so well situated to cash in on their connections with the Clinton administration and Capitol Hill. For the hundreds of Democratic aides who will soon be out of jobs, that means their future as lobbyists is grim: the last thing these firms need is more Democrats.

Even Republican firms are looking for fresh blood to strengthen their representation in the Senate or to establish links to such new leaders as the probable House speaker, Newt Gingrich of Georgia.

For such seasoned aides as Michael Tongour, chief counsel to the Senate minority whip, Alan K. Simpson of Wyoming, the offers began coming in before the Nov. 8 election. Billy Pitts, top assistant to the outgoing House minority leader, Robert H. Michel of Illinois, has been courted for months. House associates said. And a former aide to Senator Orrin G. Hatch, Republican of Utah and probable chairman of the Judiciary Committee, claims to have received "a job offer a day" from Democratic firms.

Edmund J. Mihalski, the Republican staff director of Senate Finance until last December, received a call Wednesday morning from a Republican firm seeking to update its contacts with the new leadership.

If there is any question why people like Mr. Mihalski are in the catbird seat, consider the postelection experience of James H. Lake, a Republican lobbyist

who worked as a senior consultant in George Bush's 1992 presidential campaign.

After a business downturn in the past two years of Democratic control of executive and legislative branches, Mr. Lake's firm began hearing from new prospective clients in corporations and trade associations. Negotiations already under way began to firm up, he said.

"All of a sudden beginning last Wednesday people wanted to address the future," Mr. Lake said. He added that businesses now see that "Republicans are now the leadership."

Thomas D. Parry, a key fund-raiser for Senator Hatch, said he returned to Washington this week to "pages and pages of phone calls" from potential clients. A Republican sea change like this, he said, means "more activity, more prominence and more access" for Republican lobbyists like him.

Two years ago, after Mr. Clinton's election, many top Republican firms scrambled to change their identity. Timmons & Co., for example, elevated as its board chairman William H. Cable, an aide to former President Jimmy Carter. And it hired as vice president John S. Orlando, chief of staff of the House Energy and Commerce Committee under Mr. Dingell, its powerful Democratic chairman from Michigan.

Their roles are still important, according to Tom Korologos, the firm's president. "You don't shut off a Dingell," he said. "The Dingells now become the bomb-throwers. Fires will have to be put out."

★ POLITICAL NOTES ★

It's Gingrich vs. the Media

WASHINGTON — Newt Gingrich, the House speaker-to-be, and the Washington press corps seem to have declared a state of open hostility. "How 'Normal' Is Newt?" a Newsweek story asks. A Herblock cartoon in The Washington Post shows Mr. Gingrich climbing out of a sewer.

"THE COLD-BLOODED NEWT," shouts the New York Daily News, touting an interview with his former wife. CBS calls him "bombastic and ruthless," while a New York Times columnist, Anthony Lewis, describes his methodology as "slash and burn, knife and spear."

For his part, the Georgia Republican has disparaged the "elite media," barred reporters from his office and accused The Washington Post of having "deliberately distorted" his remarks. He also whacked The New York Times for suggesting that a shiny black Cadillac from which he emerged last week was his.

As a "bomb-throwing backbencher," to use the preferred cliché, the former college instructor provided great copy for a profession that thrives on incendiary sound bites. But now that Mr. Gingrich is about to preside over the House of Representatives, his combative style and provocative views are being cast in a harsher light. And embarrassing bits of personal history, such as the messy 1981 divorce from his cancer-stricken wife, are being recycled in profile after profile.

Michael Barone, a right-leaning columnist for U.S. News & World Report, said, "Most of the press was dismayed by the results of the election. I don't think Newt will ever get fair treatment from the press, on balance. The animus is there."

Denizens of the mainstream media, not surprisingly, have a different view. Eric Engberg, a CBS reporter, said, "Gingrich is exhibiting some of the thin-skinnedness you'd expect from a politician who's never held power, and thus has not been exposed to the kind of intense scrutiny the 'ins' usually get. The speaker-to-be is learning for the first time that you can't be the bomb-thrower and tough political rhetorician and

then complain when the press gives you fairly full coverage. The fact that he's conservative is not nearly as important as the fact that he's very outspoken and very partisan." (Howard Kurtz, WP)

New, but Not Inexperienced

WASHINGTON — Disenchanted voters might have sent some congressional titans packing, but that hardly means they are sending an army of amateurs to Washington.

The 104th Congress that convenes in January will feature the least-seasoned crop of national lawmakers in nearly 40 years, with at least 86 first-term legislators reporting for duty to the House to join most of the 110 newcomers elected two years ago.

But the overwhelming majority of the new arrivals, many of whom are Republicans, are not novice legislators. An analysis by the Los Angeles Times shows that more than three-quarters of the freshman class of '95 either have held public office recently or were political operatives — that is, they held political party posts or previously ran for office — before being elected.

"Outsiders don't make it," said Gary Jacobson, a political science professor at the University of California at San Diego who specializes in Congress. "The candidates who were able to take advantage of the anti-Washington and anti-Democratic sentiments were people who themselves were politically active and savvy and seized this as an opportunity to move into Congress."

Only 20 candidates who had not held or sought political or party offices were elected to the House in 1994, even though more than 250 such aspirants ran. Experienced candidates remain better able to build formidable political and financial support. (LAT)

Quote/Unquote

President Bill Clinton on Republican discussion of a constitutional amendment to permit prayer in public schools: "I'll be glad to discuss it with them. I want to see what the details are. I certainly wouldn't rule it out; it depends on what it says." (WP)

Mexico Suggests U.S. Work With It on Migrant Flow

By Tim Golden
New York Times Service

TUJANA, Mexico — With Mexican anger still building over the approval of a California ballot initiative to cut social services to undocumented immigrants, President Carlos Salinas de Gortari has said Mexico and the United States will have to discuss a freer flow of migrant workers just as they negotiate free trade.

Little more than two weeks before his six-year term is to end, Mr. Salinas argued that some sort of bilateral agreement on a greater legal flow of Mexican migrant workers northward is the only way that the problem might be controlled.

"I am not proposing that millions of Mexicans go to the United States — we want them in Mexico," Mr. Salinas said in an interview. "That movement is inevitable, and it is better to order and regulate it than to confront it with administrative measures that are not going to stop it because the force of the economies is greater."

Mr. Salinas said he did not intend his call for such discussions as a formal proposal. Barred by the constitution from seeking re-election, he will leave the presidency on Dec. 1.

But his remarks are nonetheless an important indication of Mexico's growing frustration with the hardening American line against illegal immigrants, and his views closely reflect those of his hand-picked successor, Ernesto Zedillo Ponce de León.

Both men have assailed the immigrant-control initiative in California, Proposition 187, as misguided and xenophobic, and both have said they would do what they can to protect Mexican migrants

while helping to fight the measure in the courts.

Having pushed for the North American Free Trade Agreement over the quails of nationalistic compatriots, both men are also acutely sensitive to Mexicans' outrage at the ballot measure's sweeping approval in a year that was to have ushered in a new spirit of cooperation between Mexico and the United States.

News of the vote and its possible effects has dominated newspaper headlines for days. Mexican protests have ranged from official rebuke at the United Nations to the bitter complaints by the Mexican winner of the New York City Marathon and the ransacking of a McDonald's restaurant in Mexico City by a gang of masked youths.

It has seemed to matter little that challenges to the initiative in federal and state courts could limit or delay its enforcement for years.

Navy Chief Fights Shrinking of Fleet

Boorda Opposes Plan to Speed the Retirement of Ships

By Michael Gordon
New York Times Service

WASHINGTON — As the rivalry among the military services has escalated, the U.S. Navy's leading admiral is mounting a campaign against plans to shrink the fleet.

This effort takes place at a time of growing Pentagon anxiety over declining military spending, but it also comes at a time when the Republicans' election victories have given some military officials hope that cutbacks may be reversed.

In comments to his aides, Admiral Jeremy M. Boorda, chief of naval operations, has rejected his own service's plan to speed up retirement of ships and put aside money for shipbuilding.

That plan would have left the navy with 330 ships.

Instead, as the budget crunch has intensified, Admiral Boorda has said the navy needs about 346 ships, underscoring demands the navy faces as it shuttles warships back and forth among Third World trouble spots.

While this seems to be a debate over 16 ships and the \$240 million a year it takes to operate them, it also turns on fundamentally different visions of how to manage the navy.

Specifically, the dispute centers on whether to put money into preserving the navy to cope with today's brushfire wars or to shrink the fleet and earmark savings for the future. Since funds are tight, even small adjustments in the navy's \$78 billion budget are significant.

Admiral Boorda's strategy was summed up in a blunt memorandum written by Rear Admiral

J.G. Prout 3d, a senior official of the Pacific Fleet who attended an off-the-record budget presentation by the navy chief in September.

"The emphasis will be on demonstrating that we need more force structure to carry out our assigned roles and missions," Admiral Prout wrote in the memo, which was obtained by The New York Times. "No more balanced budget. No more affordable force."

Defenders of Admiral Boorda say he is simply arguing for what the navy needs to keep ships steaming in Third World trouble spots.

"My view is that force structure has shrunk below a prudent level for almost every class of ship," said Admiral Henry H. Mauz Jr., who retired last month as Atlantic Fleet commander.

But critics within the navy say Admiral Boorda is assuming future years will be as demanding as the busiest times in the past 18 months.

Experts outside the Pentagon say that the Republicans' fiscal conservatism, despite their talk of building up defense, is likely to keep the military budget on its downward slide.

"Boorda is robbing from the future to cover the near term," said Andrew F. Krepinovich, the director of the Defense Budget Project, which monitors military spending.

"You have a navy that is talking about adding ships to its base. Meanwhile, the Defense Department admits it has a budget shortfall of somewhere between \$40 billion to \$50 billion for the next five years, and others say the shortfall is even larger."

Away From Politics

• A California law requiring motorcyclists to wear helmets produced a 37.5 percent drop in fatalities from motorcycle collisions and saved as many as 122 lives in its first year, according to researchers at the University of California at Los Angeles.

• A General Mills Inc. subcontractor was found guilty of spraying an unapproved pesticide on oats used to make 160 million boxes of popular cereals such as Cheerios and Lucky Charms. A jury in St. Paul, Minnesota, found Y. George Roggy guilty of adulterating food and misusing pesticides for spraying Durban on oats bound for General Mills. The pesticide is approved for and widely used on other food products, but has not been approved for use on stored grains.

• A tornado spawned by a tropical storm ripped through the retirement community of

Barefoot Bay, Florida, killing at least one person. The deaths of two more people in Florida were blamed on the tropical storm, designated Gordon, that left at least 100 dead on its path through the Caribbean.

• Jerry Rubin, the 56-year-old former political activist, remained in critical condition with injuries suffered when he was hit by a car while jaywalking in Los Angeles.

• Six people who chained themselves to cars and a concrete-filled drum in Milwaukee were found guilty of violating a new federal law against blocking access to abortion clinics. The six were the first people charged under the law, which took effect in May. Each was convicted of a misdemeanor and faces up to six months in prison and a \$10,000 fine at sentencing Feb. 13.

LAT, WP, AP

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Big Smoke, Little Fire

The leaders of 18 nations who gathered this week at the Asia-Pacific Economic Cooperation summit meeting in Indonesia arrived with lofty talk of achieving a sweeping agreement to stimulate economic growth on the Pacific Rim, which is already among the most vibrant economic regions in the world. Their final communiqué enshrines a noble objective — free trade and investment by the year 2020. Unfortunately, the APEC pledge fails to include a single substantive measure.

The easy task is to commit to a vague goal a quarter-century away. The hard task, apparently too hard, is to take concrete measures that would challenge entrenched interests in each country.

The APEC countries call for free trade, but do not say if that includes services as well as manufactured goods. The participants call on APEC's industrialized members to achieve free trade 10 years earlier than the 2020 target for everyone, but do not say which countries would be included in the fast lane. Does that leave South Korea or China, for example, in or out?

Underlying the failure to produce a detailed agreement are fundamental differences among the group's members. The United States and Australia are both enthusiastic proponents of free trade, in part because both feared that the East Asian members might move without them. But Malaysia and others oppose free trade to varying degrees.

Their problem arises in part from the fact that international trade rules, with one exception, prevent countries from extending preferential trade to each other unless they also extend it to every other trading partner. The exception applies only to countries that move all the way toward forming a free trade bloc — like the North American Free Trade Agreement between Mexico, the United States and Canada.

The Asia-Pacific countries know that the U.S. Congress is not about to approve another NAFTA, especially if it includes low-wage bastions like Malaysia and Indonesia, without insisting upon rules about environmental protection and working conditions. That prospect scares many APEC countries out of tying themselves closely to the United States in a free trade zone. The conference postponed dealing with fundamental difficulties like these for at least a year.

Even though it could not create a free trade zone overnight, the APEC gathering could have made progress in specific areas. For example, the countries considered, but failed to adopt, a code to open up borders to foreign investors.

The trick for APEC is to turn the virtuous pledge into real progress. That will require aggressive action on small measures that would knock down tariff and nontariff barriers. Free trade among Pacific Rim countries could then become something more than rhetoric.

—THE NEW YORK TIMES.

Wrestling With Welfare

Since Bill Clinton and the newly ascendant Republicans agree on the need to change the welfare system, the assumption has been that it ought to be easy to get a reasonable bill. In fact, welfare could prove to be one of the most difficult issues before the new Congress. Not only are there deep differences between President Clinton and the Republicans, but multiple points of view exist within the Republican congressional majority.

The biggest danger is that the reform battle will focus not, as it should, on how to help the poor out of dependency but rather on how to slash government aid to the needy, including children.

Mr. Clinton would limit welfare recipients to two years on the rolls, during which they would participate in education and training programs. After that they would be required to find private sector work or take public service jobs. The Republicans in the last Congress were divided into several camps. Some moderate Republicans expressed broad sympathy for the Clinton approach and proposed amendments that the administration might easily have accommodated. Another group supported a bill by Representative (soon to be Senator) Rick Santorum of Pennsylvania that resembled the Clinton plan in its emphasis on work, but effectively abolished aid for legal immigrants, a proposal that the administration rightly resisted, and cut other programs for the poor.

Senator Nancy Kassebaum has suggested sending more welfare responsibilities back to the states, while other Re-

publicans want to end assistance to teenage mothers. The program in the House Republicans' "Contract With America" includes a work program but would permanently deny cash aid to unmarried mothers under the age of 18. Children born out of wedlock would, in most cases, be barred from receiving any cash assistance where paternity is not established. And the contract would effectively eliminate food stamps and a variety of other feeding programs, consolidating them into a block grant.

Rationalizing state and local responsibilities by, for example, having the federal government take over Medicaid and the states take up all the burden of Aid to Families With Dependent Children is not inherently unreasonable. But this would be a large and potentially expensive change. On the other hand, it makes little sense simply to abolish all federal food programs or to pretend that tossing all single teenage mothers off welfare will lead to a costless revolution in "values."

Republicans will now be serving as governors of most of the largest states with the largest welfare loads. They will be providing a much needed counterpressure against the efforts of some of the more doctrinaire members of the party's congressional wing to disclaim any federal responsibility for the problems of the very poor. Republicans have interpreted their victory as a mandate to reduce the size of government, which is fair enough. It is a mandate to use "welfare reform" as a cover for reviving the social policies of the 1880s.

—THE WASHINGTON POST.

Rules for Airline Safety

A study by the National Transportation Safety Board and an investigation by New York Times reporters cast a disturbing light on airline safety rules and regulations in the United States. The safety board, focusing on commuter airlines, said that all but their smallest aircraft, and the people who fly them, should meet the same safety standards as major carriers. The Times' investigation of USAir, America's sixth-largest carrier, indicated that even major carriers' safety procedures can be flawed.

Flying is still safer than driving to the airport. But two recent devastating crashes — one on a commuter airline, American Eagle, and the other on USAir — have heightened public concern.

In a draft report, the Safety Board recommended more than a dozen measures to upgrade regulation for commuter airlines. The sweeping nature of its measures makes the point that the commuter lines' rapid expansion has outpaced regulation. For instance, the board found new aircraft being introduced faster than flight simulators are being developed to train their pilots; it recommended a rule that new planes not go into service until updated flight simulators are available.

The board has no enforcement powers, but regulatory agencies, transit authorities and companies usually do as it recommends. The Federal Aviation Administration has already said it will adopt all the recommendations for commuter lines.

Times reporters Douglas Frantz and Ralph Blumenthal undertook their investigation of USAir after its Flight 427 crashed near Pittsburgh in September. It was USAir's fifth fatal crash in five years, and the worst for any U.S. carrier since 1987. Some of the lapses they found involved too little fuel in a plane's tanks before takeoff. Others involved insufficient training. In one case of too little fuel, and a mandate to use "welfare reform" as a cover for reviving the social policies of the 1880s.

—THE NEW YORK TIMES.

Welcome to an Exemplary Pact on Uses of the Sea

By Alan Berlind

PARIS — In an era of uncertainty in international affairs, characterized by a general disregard for the rule of law and the frequent threat or use of force for the settlement of disputes, the world community can celebrate the entry into force yesterday of the United Nations Convention on the Law of the Sea.

The convention is in all respects the most comprehensive international agreement ever achieved.

Whether making new rules or, less importantly, codifying customary law, it establishes a global regime for governing practically all uses and abuses of the oceans and their vast resources.

Signed by all but a handful of governments after more than two decades of negotiations, it can safely be considered to represent the current law of the sea, notwithstanding the additional requirement for formal ratification in some capitals.

The treaty testifies to a broad consensus among both developed and developing societies as to what activities are and are not permitted over, on and under 70 percent of the earth's surface. It punctures the myth, dear to ideologues of various persuasions, that North-South conflict is inevitable.

The compromises that necessarily make up the treaty offer proof that the interests of individual nations can be advanced

through rational dialogue and cooperation among many. The prescriptions for the peaceful settlement of disputes written into the agreement are without precedent in international affairs.

Treaty provisions on navigation in international straits, archipelagos and coastal zones assure the maneuverability needed by major naval powers: witness the strong public endorsement volunteered recently by Pentagon leaders before Congress. This support is all the more understandable as the United States relinquishes a forward-basing strategy in favor of one requiring an ability to move forces and equipment to trouble spots swiftly and without political haggling.

The strong affirmation of high seas freedoms was accomplished, moreover, with no loss to the equally crucial cause of protection of the marine environment. The treaty establishes a balance of responsibility between seagoing and other coastal nations in a way that strengthens safeguards against pollution. With respect to marine scientific research, coastal states are given control over activities off their shores, but the regime is permissive and conducive to rational planning by the scientific community.

The treaty offers the same navigational benefit to commercial shipping as to military vessels. It serves the interests of all shipping and trading nations by assuring both savings and security to commercial shipping. The rights of coastal states to fisheries out to 200 miles, as well as to the vast mineral resources of the continental shelf, are preserved, reflecting the needs of states in varying stages of development. And the treaty promotes the conservation of fisheries worldwide, so as to assure a continuing supply for burgeoning populations.

Major economic and commercial interests are thus amply protected by the treaty. Yet support in the United States and some other industrialized states was withheld until this year owing to the claims of a small number of companies that any effective international controls or significant obligation to share the wealth would render mining the deep seabed uneconomical beyond the limits of national jurisdiction. Rather than continue the cooperative search for solutions, the Reagan administration announced that it would no longer take part in negotiations at all, an act of disdain that could well have provoked the international community to go it alone.

Instead, conscious of the need for universal participation in an agreement of

this magnitude, senior UN officials and diplomats from developing countries decided to seek ways to address the concerns expressed, even in the willful absence of the principal grievant. No doubt aware as well that the argument that had poisoned the discussions for so many years would prove in the end to have been largely theoretical (that is, that deep seabed mining might never produce the bonanza so loosely heralded), they repressed their own penchant for ideological bombast and found solutions that brought the United States and others on board just in time for entry into force.

With the changes that have been made to meet U.S. objections, ratification in Washington should be a formality. The new Republican majority, however, has warned the president about the conduct of foreign policy, and Senate Foreign Relations Committee hearings, with Jesse Helms in the chair, will not be easy. One can only hope that a treaty that so clearly serves the interests of the United States and the world at large will not fall prey to partisan considerations.

The writer was director of the Office of the Law of the Sea at the U.S. State Department from 1977 to 1980. He contributed this comment to the International Herald Tribune.

Ornery Politics? The French Have a High-Toned Version on Show

By Jim Hoagland

WASHINGTON — Attention, you Americans who feel that your own politics took a nasty and personal turn in the recent midterm elections. Check out the French aisle. Vous ain't seen nothing yet.

The escalating campaign to choose a successor to President François Mitterrand took a turn worthy of Balzac on Saturday when Prime Minister Edouard Balladur's foreign aid minister resigned. He was driven from office by leaks about alleged corruption and an impending indictment.

Mr. Balladur, immediately named as his new aid minister Bernard Debré, the head of the Cochin Hospital's urological unit in Paris. An unusual choice — except for two details. One: Dr. Debré and his unit operated on Mr. Mitterrand for prostate cancer in 1993 and again earlier this year. Two: Mr. Balladur is the leading candidate to succeed Mr. Mitterrand.

"In the Balladur government now sits someone who probably knows more than anyone else about the president's illness," the Financial Times noted in tones of surprise in its report about Dr. Debré, who is a Gaullist member of the National Assembly.

Mr. Mitterrand's faltering battle against cancer gives French politics a morbid and urgent tone. The president's term ends next May, and formal campaigning is due to start in March for the May 7 vote. But his illness has provoked furious jockeying among the conservatives, who expect an easy victory over Mr. Mitterrand's demoralized and disorganized Socialist Party. His early departure through resignation or death would trigger a quick 60-day campaign for a new seven-year term.

The battle for the presidency is fought at close range by people who know each other's strengths, and weaknesses, from long and intimate association. That makes it particularly bitter, and particularly French.

Mr. Balladur, a leader of the center-right coalition that took control of the National Assembly away from the Socialists 18 months ago, faces only one serious rival. That rival is the Gaullist leader Jacques Chirac, who made Mr. Balladur prime minister and

now seeks to destroy him. Mr. Chirac claims publicly that Mr. Balladur has reneged on a promise to step aside for him. Balladur supporters suspect that Mr. Chirac's forces have led the campaign of leaks and investigations that have forced three of Mr. Balladur's cabinet ministers from office.

Mr. Balladur and Mr. Chirac come from the same party and the same ideological background. They have in fact been trusted associates in a long mutual climb to power. Their war is civil war, marked by the betrayal, intrigue and murderous rage that only struggles pitting brother against brother can bring.

That is the particularly bitter part. How about the particularly French? Politics, business and intellectual life in France are run by

a small, very well-trained and intelligent elite. No national leader could ever belong to a "counter-culture elite." The elite is the expression of the national culture.

France is meritocracy run amok. The best and brightest are winnowed out young by national testing and then channeled into a handful of elite universities that prepare them for battle in careers that the state controls or affects with its decisions. Suppose Bill Clinton and Newt Gingrich both had been Rhodes scholars, gone to Yale Law School, dated Hillary and then achieved what they have achieved in politics. That would not be unusual in France.

France is a national nervous system — a brain sending signals down the spinal cord to the ganglia of local government and

commerce. The French case illustrates how national character is formed and expressed.

Germany is also a case in point, functioning as a national factory. Its political and economic institutions all cooperate to make industrial production and prosperity an overriding national goal.

And America? The midterm campaign showed that America has taken the characteristics of a national echo chamber. Self-promotion has become the American art and imperative. Instant, intrusive 24-hour electronic media and communications have eliminated time and temptation for reflection. Life passes much of the electorate in a blur or a shout, and the response is bafflement and then anger at the polls.

One bit of evidence for that hypothesis is offered by Reva Holcomb of Miami. Interviewed on

election day by The New York Times, she said she voted for Republicans because Bill Clinton "has been in power too long."

We now have the Holcomb codicil to Andy Warhol's definition of fame in the television era. Perhaps we all get to be president for 15 minutes. Or each of us gets a turn to be judge in the O.J. Simpson trial and gets national "face time" that way.

Americans have had to get to know Mr. Clinton in office. That has brought surprises, impatience and finally hostility from the Reva Holcombs. It would not have happened that way in France, where the candidates and the public get to know each other all too well before an election. The French take their candidates the way they take their Scotch — straight, with no illusions on the side.

The Washington Post.

Beware, Newt's Mean Crowd, the Them Are Also Us

By Anna Quindlen

NEW YORK — This is my new motto: Keep Al Gore Healthy. Because when Newt Gingrich becomes speaker of the House, that puts him third in the line of presidential succession, after Mr. Gore. And that is a terrifying prospect for the moral compass of the United States.

Not because Mr. Gingrich is a Republican, or a conservative, but because in only a week

If women or blacks or gays are fundamentally 'not like us,' it is easy to accept discrimination.

he has become the most powerful public purveyor of the politics of exclusion, what might be thought of as the cult of otherness.

Otherness posits that there are large groups of people with whom you have nothing in common, not even a discernible shared humanity. Not only are these groups profoundly different from you, they are also, covertly, somehow less: less worthy, less moral, less good.

This sense of otherness is the single most pernicious force in American discourse. Its not-like-us ethos makes so much bigotry possible: racism, sexism, homophobia. It divides the country as surely as the Mason-Dixon line once did. And it makes for mean-spirited and punitive politics and social policy.

Only the deepest sense that they are not like us makes it possible to decree, as Mr. Gingrich has, that one way to reform the

welfare system is to deny aid to the children of mothers under 21 and build orphanages if they are rendered destitute.

It is not even possible to pretend that there are enormous savings in this plan, for anyone who has compared the cost of institutional and home care in any area knows that the latter is much, much less expensive than the former. This is public atonement for the sins of teenage pregnancy and poverty at the expense of little kids.

If you think of these mothers as people very much like you in some essential way, if you think of these children as like your own, the proposal falls apart, repellent in its moral frigidity. But if they are other, different, above all less, the mental leap to the orphanage is far less taxing. If immigrants are not like us in some basic fashion, it is easy to accept discrimination against them. Believing that only "they" get the disease makes it simpler to slash AIDS funding.

Mr. Gingrich began milking the politics of exclusion long before the election returns were in and he dismissed President and Mrs. Clinton as "counterculture." Meeting with a group of lobbyists, he said he would seek to portray Clinton Democrats as "the enemy of normal Americans." In a speech several weeks ago, he described America as a "battleground" between men of God, like him, and the "secular anti-religious view of the left."

Mr. Gingrich's mind is not far-reaching

enough to encompass those of us whose politics are to the left of his and who are deeply religious, who raise our children with discipline and yet are proud to call ourselves liberals. It is so much easier to stereotype.

It is troubling that much of this comes cloaked in a patina of conspicuous Christianity. Anyone with even a passing knowledge of the New Testament knows that its message is charity, love for our fellows, inclusion. The American Catholic bishops, meeting in Washington, took appropriate note of this. "There has to be personal responsibility," said the auxiliary bishop of Baltimore, John H. Ricard. "We also believe the society has a responsibility for those who cannot care for themselves."

There are some bright spots on this gray horizon, quite aside from the fact that Al Gore is a young and vigorous man. One is that a little of Newt Gingrich goes a very long way, and that soon even his fellow Republicans may be tired of his bombast and his love affair with the open microphone.

The other is that he has inspired more moderate Republican voices, those not satisfied to stand mute as the party is driven into the fallow ground of meanness, the purview of the schoolyard bully, picking off the weak or one by one. Governor Christine Todd Whitman of New Jersey sounded their counterclaim call: "Cut taxes, cut spending and replace programs that fail with government that works. Above all, include everyone." Include everyone. As I say at the end of my left-leaning prayers, amen.

The New York Times.

Northern Ireland: For a Political Settlement, Consider Condominium

By William Pfaff

PARIS — The situation in Northern Ireland is the most favorable in a generation, with the guns of the hard men on both sides silenced for now, and the parties all talking. However, are they talking about the right things?

It has once again been shown that violence pays; thus there is serious reason to fear that it will return. Northern Ireland would not have reached the point it is at today had the IRA not pushed aside the peaceful civil rights protests of the Northern Catholic minority, which began in 1968, and begun its terrorist campaign against Britain and the authorities in Northern Ireland.

The IRA would not have agreed to end its violence had Loyalist terrorists not repaid the IRA in kind for its killings. There have been more murders this year by Loyalists than by the IRA.

One may add that none of the violence was necessary, if all the Catholics wanted was equal treatment in employment and before the law. The Northern Ireland government under Terence O'Neill had already begun such reforms when the civil rights movement emerged. He faced opposition from the Protestant majority, but this was ultimately unsustainable. Ulster voters being a small minority in the overall British electorate, the Catholics' political struggle could eventually have been won peacefully.

The IRA has wanted power — power over the six northern counties of Ireland, to force them into union with the Republic of Ireland, against the will of those counties' Protestant majority population. The majority in Northern Ireland want to remain

citizens of Britain. The Loyalist terrorists wanted to perpetuate Protestant power in the six counties and also to dictate their own terms of rule to London.

This is the essential conflict, and it remains. It is the subject of negotiations today, but presents extreme difficulties, despite the constitutional concessions that have been proposed by the Irish government in Dublin, and the compromises which Prime Minister John Major's British government seems willing to make.

There is one course of compromise that does not today seem to be under consideration, certainly not in public. This is to form a British-Irish condominium. A Paris international lawyer, John Whitebeck, has for many years been trying to persuade Israelis and Palestinians to make use of this constitutional arrangement to solve their problems. I think it fits Northern Ireland even better than the Middle East.

The practical model can be found in the condominium that governed the New Hebrides islands, in the South Pacific between Australia and Fiji, from 1906 until 1980 — when the New Hebrides became the independent Republic of Vanuatu.

The New Hebrides Condominium was shared rule by Britain and France, in which the separate interests of British, French and New Hebrideans were all given constitutional guarantee. British and French resident commissioners governed the islands, acting jointly in some matters, and separately in others that concerned only their own nationality.

There were parallel and separate education systems, one of them French, the other British, each subsidized by the condominium's own government. There were separate British and French health services, each with their own hospitals and clinics, but a single rural health service run by the condominium itself. There were condominium courts and French and English national courts.

This obviously was a colonial system, whereas Northern Ireland is a democratic society and fully part of the United Kingdom. However, there are lessons in what successfully was done in the New Hebrides. Among these are the following, which I suggest as contributions to the process of finding a constitutional solution for Northern Ireland rather than as normative.

Let us suppose that it were agreed that the six Northern counties were in the future to be simultaneously a part of the Irish Republic and of the United Kingdom, with each citizen free to choose which nationality he or she wished, and which passport to carry, Irish or British, and in which of the two countries' national elections each would vote.

Northern Ireland's local government could be assured by a local authority under a Northern Ireland parliament or assembly, for which the residents of both nationalities would vote.

External security would jointly be guaranteed by Ireland and Britain, and internal security by a Northern Irish police under shared British and Irish government authority. I would think a parallel

system of courts appropriate, with those charged with crimes sent for judgment in the national court of the government of the person's elected citizenship. Education and health services might be provided by parallel systems, as in the New Hebrides case, or by the Northern Irish authority itself.

This would seem to me an original way to deal with the otherwise intractable problem of political power in the six counties. It gives the Protestant majority permanent British citizenship, British courts, British education, British careers and a British guarantee of civil and religious liberties.

It gives the Catholic and republican minority Irish citizenship, if they want it, and Irish government guarantees of their rights and security. It gives Ireland itself a form of unity that acknowledges and yet solves its central historical problem, that of the conflicting claims and loyalties of the overall Catholic majority and of the Protestant minority.

It would bring Ireland and Britain closer together, in cooperation, to settle the conflict that has marked their tragic history and their peoples for 800 years.

International Herald Tribune.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Oriental Outrages

PARIS — [The Herald said in an editorial:] Reports circulated a few days ago have been confirmed. We are to-day face to face with a new edition of the Bulgarian atrocities, only that the scene has shifted to Asia Minor. Thousands of women have been subjected to the worst of outrages, and have been massacred; whole villages have been looted and burnt. If we were still in those days when Europe wished to interfere in Oriental matters and protect the Christians, we might be on the eve of energetic action, but everything will end with an exchange of diplomatic notes.

1919: Reds in Schools

NEW YORK — [From our New York edition:] The insidious revolutionary doctrines of Lenin and Trotsky are being used by

certain teachers in the public schools of the city to poison the minds of the school children against American institutions and to create a spirit of distrust among the younger generation. This fact was revealed yesterday [Nov. 16] by Samuel A. Berger, Deputy Attorney General, who discovered the names of many school instructors on the rolls of the Communist party.

1944: Allied Offensive

SUPREME HEADQUARTERS, Allied Expeditionary Force, Paris — [From our New York edition:] The Allies launched a general offensive in the west today, with the veteran United States 1st Army and the long-hidden U.S. 9th joining four other armies in attacks along a 300-mile front against Germany and its approaches from Holland to the Alps.

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OPINION

Illegals Are the Bravest of All

By Richard Rodriguez

SAN FRANCISCO — We might have expected it in France, in Germany or in Japan. But in America — the land built and sustained by immigrants — also becoming intolerant of them? Is that the message of the resounding vote in California in favor of Proposition 187, which seeks to end illegal immigration by denying government services to illegal immigrants and their children?

Americans, to be sure, have never really liked immigrants, at least not at first.

Today, Americans insist that they are not anti-immigrant: "It is just the illegals we don't want." Politicians warn that "the illegals" are coming for welfare dollars. But kids on the Mexican side of the border will tell you that they come in search of jobs. They do not quote Thomas Jefferson, nor do they know the Bill of Rights. There is only a rumor of work.

Illegals are an embarrassment to the Mexican government. They are an outrage to suburbanites in San Diego, who each night see the Third World running through their rose gardens. Illegals are often adolescent, desperately reckless, and disrespectful of American custom and law. They are also among the most modern people in the world.

Decades before wealthy Mexicans decided to enroll in U.S. Ivy League colleges, Mexican peasants grew accustomed to thousands of miles of free currencies and dirt roads, knew two currencies, and gathered a "working knowledge" of English to go with their Spanish.

Before professors in business schools were talking about global economics, illegals knew all about it. Before fax machines punctured the Iron Curtain, "coyotes" knew the most efficient way to infiltrate Southern California. Before businessmen flew into Mexico City to sign big deals, the illegal was picking peaches in the fields of California or flipping pancakes at the roadside diner.

We can say about today's illegals exactly what nativists a century ago said about the Ellis Island crowd: "They don't assimilate; they're too foreign; they come to take, not to give; they are peasants who lower our national IQ."

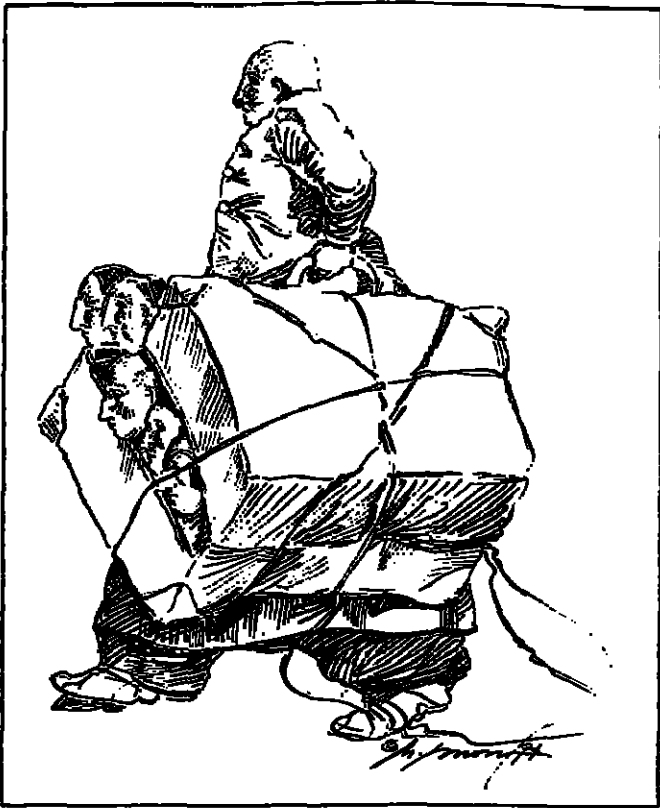
The notion of the "legal immigrant" allows us to forget that all immigrants are outlaws. Immigrants violate custom, they assault convention. To be an immigrant is to turn your back on your father and your

village. You break your mother's heart. The immigrant is as much a scandal to his ancient mountain village as to suburban Los Angeles.

Early in this century, Mexico passed laws to keep U.S. business interests out. Lately, President Carlos Salinas de Gortari has begun to denationalize Mexican business and open his country to U.S. capital. Americans exclaim, "At last, Mexico has a truly modern leader!" But the Harvard-educated president of Mexico was preceded to the United States by generations of peasants.

In the 1920s, when Mexico was trying to seal itself off from the United States, Mexican peasants were illegally making their way north. Every few months, illegal workers would return, by choice or by deportation. They returned to their 16th century villages with seductive rumors of America. More than Pancho Villa, more than Zapata, the illegal immigrants became the great revolutionaries of Mexico. They Americanized its tiniest villages.

Today, the jet airplane makes the world convenient to U.S. business executives and to middle-class tourists. We Americans assume our ability to roam where we will, making deals or taking pictures of each



other in our Bermuda shorts. A Californian I know complains that a village in Ecuador is becoming more and more Americanized. Each year, he sees the change.

I tell him, if he's so worried about the change then maybe he shouldn't travel so much.

We Americans have become like Shakespeare's Coy Mistress — the Dark Lady of the Sonnets. We stand at the window, we bat our eyelashes. We manage the world. We advertise our beauty and our glamour; we display our happy white teeth. And then we wonder why the world is lined up at our door.

Though Californians voted for the anti-immigrant measure by a wide margin, that will not in the end decide illegal immigration. For we all live in a world where economics over-

lap, where we no longer know where our automobiles are assembled, where billboards stoke adolescent imaginations. We are headed for a century where the great question will be this: What is a border?

The illegal immigrant is the bravest among us. The most modern among us. The prophet. "The border, señor . . ." the illegal immigrant sighs.

The border is an inconvenience, surely. A danger in the dark. But the border does not hold. The peasant knows the reality of the world, decades before the California suburbanite will get the point.

Mr. Rodriguez, a leading Mexican-American writer, is author of "Days of Obligation." This comment was distributed by New Perspectives Quarterly.

A Nasty Surprise in California

By Katie Leishman

LOS ANGELES — On the radio the morning after the election, I heard an interview with a teacher urging children not to be afraid to go to school.

It was a disturbing way to learn that Proposition 187 — the sweeping California statute that would deny health care and educational services to illegal aliens and facilitate their deportation — had passed by a landslide.

Over breakfast at a Mexican cafe on Sunset Boulevard, I read the election returns. The waitress, usually a chatterbox, was subdued. I looked up to see her studying the headlines of my newspaper, about Proposition 187. She frowned and I immediately turned the page. There is no way to tell, at a glance, who is illegal — or how somebody voted.

That afternoon, I waited for a friend, originally from Guadalajara, who has been renovating my place. When he didn't show up, I paged him, only to discover that he was already at work under the house.

"Why didn't you stop in?" I asked. "Didn't you see my truck?" he replied. We both laughed uncomfortably. Strange how quickly, in such times, people stop looking each other in the eye.

During the campaign, you often heard that Proposition 187's sponsors supported it even though it was probably unconstitutional. (The Supreme Court has already overturned a Texas law that denied schooling to the children of illegal aliens.)

But it is now clear that many people were comfortable voting for the proposition precisely because it appeared unconstitutional. It was simply a way to send Washington a message.

But the national elections made Washington a different place, and overnight many Cali-

formians began asking, "Could the Supreme Court actually uphold the statute?" as though that possibility had never entered their minds.

This sort of double-think is not limited to 187's supporters. Last week the Los Angeles City Council voted not to enforce most of its provisions, as if to convey that Californians really hadn't meant to enact what they did.

Only one councilwoman, who

MEANWHILE

herself had voted against 187, suggested that just maybe the Council didn't have any business overruling the electorate.

Time and again, it seemed no one was thinking things through to the end. Unsurprisingly, because the "end" — real or theoretical, justified or not — meant suffering and disorientation for millions of families.

Uncritical thinking has prevailed throughout. For months, Governor Pete Wilson said that Proposition 187 would force Washington to assume the California taxpayers' burden of services to illegal immigrants, estimated at \$3 billion a year.

The argument never made sense. If the bill passed, services would be terminated and nobody would pay for them, a point Newt Gingrich has stressed even as he calls for the next step: a deportation system that would be "very efficient and very fast."

This is talk to make many hearts skip a beat, and it has. The mother too frightened to bring her son in for lead-poisoning treatment at a neighborhood clinic. The pregnant woman scheduled for a prenatal exam,

who won't leave her house, certain that a van outside is an immigration service vehicle.

The stories in the press are sickening. And yet to then read that the clinic sent a taxi to fetch the woman provokes another response: A taxi? Are they kidding? Who's paying for it?

Budgetary questions like these bolstered the pro-187 case. But equally compelling economic points on the other side never came through.

What might have happened, for instance, if the election had taken place at a major harvest time, when half the field force is made up of illegal aliens?

Farmworkers took part in freedom marches and scattered demonstrations, to no effect. A series of harvest strikes would have been a different matter. Latino leaders often resort to lyrical reminders of how hand-somely Mexicans treated those who stole California from them. This kind of cant goes nowhere.

This summer, the talk was about whether the O.J. Simpson case might send rioters back into the streets. Such worries seem frivolous compared to what has actually happened with the passage of Proposition 187.

While hard-liners seem to be getting what they want and civil libertarians are outraged, millions of voters in the middle will now have to come to terms with the message they really did send — and it wasn't to Washington.

We didn't want to hurt anyone. We just wanted to scare you. Well, they have succeeded, and in the process — a potentially harrowing and irreversible one — they are about to scare themselves.

The writer is a national correspondent for The Atlantic Monthly. She contributed this comment to The New York Times.

LETTERS TO THE EDITOR

Obvious to Truman

Regarding "Story Behind the Bomb" (Letters, Nov. 8):

A. J. McEvoy quotes Major General Leslie Groves as saying in March 1944 that the Soviet Union was the main target of the Manhattan Project. The general, who headed the Manhattan Project, may have said quite a few other things as well; but when the project was started the Soviet Union not only was seen as an ally, but it looked to everybody as if it were about to lose the war and not be a danger to democracy.

As for the vague statement that Japan was suing for peace, it may be recalled that Germany had earlier put out feelers to that effect (both Hermann Göring and Heinrich Himmler had sent agents to Stockholm early in 1945). However, in the face of certain defeat the Germans had fought on to the bitter end.

With that as an example, plus the terrifyingly mounting losses of American lives at Saipan, Peleliu, the Philippines and Okinawa — all battles where Japan did not have a hope, but continued to fight tenaciously, virtually to the last man — it must have seemed obvious to President Harry Truman what he had to do once the bomb was ready. By that time the Soviet Union, victorious, had already become an obnoxious "ally"; so it is likely that some people would consider the side-effect of impressing Stalin a bonus.

Against the argument that the bomb would never have been used against white Germans, one can point to Hamburg, Cologne and especially Dresden, which during the infamous saturation bombings of February 1945 suffered more dead than Hiroshima.

JUST ROELE, Orvilliers, France.

A Too-Frequent Flyer

Regarding "Humbled, Hounded and Confined to Foreign Policy and Defense" (Opinion, Nov. 11) by Jim Hoagland:

Mr. Hoagland's analysis and prognosis of the Clinton administration's prospects, following

the midterm elections, is spot-on. What is frightening in such situations is the refuge that domestically beleaguered political leaders take in plunging into foreign policy issues (and, in President Bill Clinton's case, perhaps also defense).

This phenomenon is not confined to the United States. What makes the situation worse in Mr. Clinton's case is that he is still a "rookie" on the international political scene. What have been hailed as foreign policy "successes" (Middle East, North Korea, Haiti) makes one shudder at the thought of what foreign policy "failures" would look like.

KARL H. PAGAC, London.

The Delors Record

Regarding "For the French Succession, Delors Seems a Sound Bet" (Opinion, Nov. 12) by William Pfaff:

Mr. Pfaff fails to mention that Jacques Delors was finance minister in President François Mitterrand's first government after his election in 1981. In that function, he applied most of Mr. Mitterrand's demagogic campaign promises and brought the country practically to its knees economically.

Apart from being the worst finance minister France has had since it became a republic, and putting aside his technocratic experience in Brussels, where his goal has always been to support Germany's pro-federation views, Mr. Delors's achievements are nonexistent. I am surprised that Mr. Pfaff, whose columns are generally noted for their superb quality, did not refer to Mr. Delors's past.

ALEXANDRE de COURISS, Paris.

A Peace Built on Sand

Regarding "For Israelis, Maybe the Jordan Treaty Is Good News" (Opinion, Nov. 4) by Abraham Rabinovich:

I commend Mr. Rabinovich's accuracy in stating that "the Arabs continue to see Israel as an alien intrusion." This explains why the Arabs "view with hostility" Israel's economic role in the

region; they would rather be economically self-reliant.

However, without any reference to the occupation and the status of Jerusalem, Mr. Rabinovich's argument that "with time, familiarity will make Israel seem a more natural part of the region" becomes markedly defective. The key issue is that Israel is making peace with unelected dictatorial regimes, not with Arab peoples.

To make "peace" in this fashion is like stitching shut an open wound with all the dirt still inside. The sooner it is opened and cleansed, the better for the region. In other words, until Arab democracy is established, Jewish settlements dismantled and Jerusalem restored to Arab sovereignty, any notion of a lasting peace will be nothing more than wishful thinking.

SALAH EZZ, Oxford, England.

Unkind to Animals

Regarding "Tally Ho, but Spare the Fox" (American Topics, Nov. 5):

The report of a fox hunt that spares its foxes at the last minute highlights a point often overlooked by people concerned with animal welfare. It is not just the killing but the terrorizing of animals that is cruel. A priority concern should be the conditions under which millions of animals are led, or dragged, to death in slaughterhouses.

H. S. ROGERS, Gaumier, France.

Helpful Look at Disney

Regarding "Euro Disney Throws the Book Away" (Business/Finance, Oct. 20):

Barry James's article was refreshing. For several years we U.S. businessmen have seen the not-too-subtle bashing of Disney by the British press and much of the French media. All businessmen sympathize with other executives working out a difficult pioneering initiative. Your report was helpful.

BERNARD W. POIRIER, Paris.



Join an art movement in Madrid.

Recognize any faces in the crowd? A stroll around Madrid's galleries is always a social occasion. We call it the "Paseo del Arte". Start with the old masters at the Prado. Lunch nearby. Then proceed to the Reina Sofia, home to Picasso's "Guernica". Time for a little shopping, enroute to the Thyssen Bornemisza, one of the world's largest private collections. Finally, stop at a local bar to discuss life, and art.



© Eduardo Arroyo: "Balthus, Géricault, Manet, Renoir, Picasso, Velázquez, Vermeer, etc." (detail), Max Baedermann: "Amoroso con la mano trementada" (detail), J. de Goya: "Amoroso con la mano trementada" (detail), J. de Goya: "Amoroso con la mano trementada" (detail).



REQUEST FOR BUSINESS PROCESS REENGINEERING CONSULTANTS

As part of our business process reengineering program, Thai Airways International Public Company Limited (THAI) is currently seeking to appoint a professional, experienced and qualified company to review and identify our work processes and assist THAI in redesigning and implementing them as well as assessing their impact on sales, customer satisfaction, corporate image or identity personnel morale and airline profitability.

Interested companies are expected to have under their employ a team with proven experience in providing reengineering consultancy services or having participated in a reengineering project as an owner.

The requirement for pre-qualification of the Consultants and the details of proposal submission are contained in our "Terms of Reference" which interested parties may now purchase at a cost of Baht 10,000 obtainable from the office of Vice President Corporate Planning, Thai Airways International Public Company Limited, 89 Vibhavadi Rangsit Road, Bangkok 10900. The deadline for submission of the firm proposal will be on or before January 16, 1995 at 17:00 hours Bangkok time.

THAI reserves the right to reject any or all proposals, waive any formality or accept such proposals as may be considered advantageous.

With Conservatives Under a Cloud, French Socialists Smile Again

By Alan Riding

New York Times Service

PARIS — Only weeks ago, French conservatives looked certain to win next spring's presidential elections. Now, in a turnaround that could bring cheer to American Democrats after their drubbing in this month's midterm elections, France's Socialists again have a chance.

Strangely, though, the Socialists have done little to achieve this. Rather, in what might also sound a warning to triumphant U.S. Republicans, the Socialists have bounced back here simply because French voters are beginning to blame the right for what is wrong with France.

A Socialist, François Mitterrand, is still president but, since parliamentary elections in March 1993, conservatives have run both the government and Parliament. Today, increasingly judged by their own record, they can no longer count on bitter memories of the last Socialist government to help them.

Ideology seems to have little to do with this change of mood. Rather, many Frenchmen feel that the country is still drifting, that the political establishment remains more interested in its own welfare than in that of France. As a result, whoever is in office risks facing their wrath.

Last year, Prime Minister Edouard Balladur inherited an economic recession, but he repeatedly promised that France would be on the road to recovery by now. But the economy remains sluggish, with unemployment still at 12.7 percent of the work force.

Then there is corruption. Two years ago, it was the Socialists who were besieged by corruption scandals. Now it is the turn of the conservatives. Three members of Mr. Balladur's cabinet have resigned after coming under judicial investigation for corruption, and one is in jail. But the conservatives have perhaps most harmed themselves by putting on an extraordinary display of vicious infighting over who should be their presidential candidate next year.

NEWS ANALYSIS

date next year. After all, until recently, with the right set to win, the nomination battle was even more important than the election.

Now, however, the conservative vote is threatening to splinter, with the power struggle between Mr. Balladur and the leader of his own Gaullist party, Jacques Chirac, badly dividing the cabinet and tearing apart the conservative coalition that holds 80 percent of Parliament.

For this, Mr. Balladur is at least partly to blame. Mr. Chirac nominated him to become prime minister last year with the idea that he would pave the way for Mr. Chirac's own bid for the presidency. Instead, Mr. Balladur became more popular than Mr. Chirac and set his own eyes on the Elysée Palace.

This month, Mr. Chirac decided to formalize his candidacy, hoping that he could win lost ground over Mr.

Balladur, who has said he will announce his plans in January. But when Mr. Chirac called a party meeting last weekend to acclaim his nomination, it was pointedly boycotted by several key party leaders, including the Interior Minister, Charles Pasqua.

Other coalition members, including former President Valéry Giscard d'Estaing, are also thinking of entering the race.

Two men further to the right, Philippe de Villiers, who heads an anti-European party, and Jean-Marie Le Pen of the extreme rightist National Front have already declared their candidacies.

Suddenly, haunted by how they snatched defeat from the jaws of victory in the 1981 and 1988 presidential elections that were won by Mr. Mitterrand, the conservatives are desperately trying to dispel their reputation for being a "losing machine."

In contrast, the Socialists, who in the past have shown their own penchant for internecine warfare, have united around Jacques Delors. And they plan to sit quietly until January when the former Socialist finance minister steps down as head of the European Union's executive commission.

Mr. Delors has not yet accepted the nomination, but everything suggests he will.

His strength is that, having spent the last decade at the European Union's Brussels headquarters, he enjoys re-

spect in France without having become too familiar. On the other hand, having never run for major office here, he has little experience in the rough-and-tumble of campaigning.

The Socialist strategy, then, is to keep him out of the race as long as possible to reinforce his image of a serene statesman bereft of personal ambition while leaving public opinion to focus its attention on the spectacle of the battling right.

So far, Mr. Chirac is doing his bit for the Socialists by criticizing Mr. Balladur's government and, above all, by asserting that it has not done enough to tackle France's social crisis. Mr. Balladur, in contrast, is trying to stay above the political fray by concentrating on governing the country.

It may well be, however, that the battle on the right will be resolved only on April 23 next year, in the first round of presidential elections, when not only Mr. Balladur and Mr. Chirac, but also other conservatives can test their popularity in what would resemble a primary.

The fear of Mr. Pasqua, however, is that, if no conservative wins more than 20 percent of votes in the first round, the damage caused to the right would make it possible for Mr. Delors to win the runoff vote on May 7. The latest polls say Mr. Delors is already running neck-and-neck with Mr. Balladur and is comfortably ahead of Mr. Chirac.

APEC: A Bold Step

Continued from Page 1

offering government incentives and protection to domestic industries.

American companies might benefit from increased exports of foods and industrial products. Automobile production is one area in which American companies could benefit from lower tariffs. In many nations of East Asia, imports of cars are virtually prohibited by high tariffs and other barriers. In order to build up the domestic industries of each country.

One of the effects of trade liberalization could be in the area of investment patterns. Right now, for example, with imports difficult, Mitsubishi Motors has factories in Thailand, Indonesia, the Philippines and Malaysia in order to sell in those countries.

But if trade were liberalized, it might export from Japan instead, or build one big factory in one country to serve all the others. Toyota is now moving toward a model where it makes different parts in different nations and then supplies all the others.

To make its region more attractive as a place to do business, the six members of the Association of South East Asian Nations, or ASEAN, is already liberalizing trade at a fast rate. A company can make high technology parts in Singapore or Taiwan, lower-tech parts in Malaysia and have them assembled in Thailand, taking advantage of the strengths of each country.

Getting all 18 nations to agree on the common goal was the big accomplishment, as it was only one year ago that President Bill Clinton first invited the sometimes suspicious heads of state to meet on Blake Island near Seattle to talk about a "new Pacific community."

"Our main aim was to agree on the broad target and not to get bogged down at this stage in definitions and how to do it," said Hamish MacLeod, Hong Kong's financial secretary and its representative at Tuesday's meeting.

Eventually, however, the APEC members will have to get around to such questions, and that is where the difficulties will intensify. Barely was the ink dry on the Bogor Declaration on Tuesday than differences in interpretation began emerging.

For instance, many of the nations think South Korea is industrialized enough to be among the early liberalizers. But South Korea wants to be in the late group. The declaration itself is deliberately vague on where South Korea belongs.

An initial blueprint for putting the declaration into effect is expected to be ready by next year's meeting in Osaka, Japan. U.S. officials expect that trade will be freed gradually through a series of small agreements, rather than through one comprehensive agreement as in the case of the North American Free Trade Agreement.

As the host country, Japan will have the leading role in pulling together a blueprint, a fact that gives pause to some of the other nations as Japan does not have a reputation as a free trader.

At a news conference Tuesday, Prime Minister Tomichi Murayama was somewhat restrained in praising the agreement.

"We expressed our political will for a broad direction based on a long-term perspective," Mr. Murayama said. But when asked if Japan will have to open its markets for agricultural products as a result of the Bogor Declaration, he said the matter would have to be looked at.

Bosnia Calls on UN and NATO As Serbs Attack Bihac Region

By Chuck Sudetic

New York Times Service

SARAJEVO, Bosnia-Herzegovina — President Alija Izetbegovic of Bosnia appealed to the UN Security Council and NATO on Wednesday to take urgent action to stop what he described as an all-out attack by nationalist Serbs on Bihac, a Muslim enclave in northwestern Bosnia, a part of which was designated as a United Nations "safe area" last year.

UN troops observed heavy shelling and had evidence of infantry clashes around the Bihac pocket, but no significant military activity was reported inside the zone mapped out as the safe area, a spokesman for the UN military force said.

UN officials said they thought Mr. Izetbegovic had launched Wednesday's appeal to prod a declaration by NATO and the United Nations of a heavy-weapons-exclusion zone around Bihac that would freeze a Serbian advance and effectively leave retreating troops of the mostly Muslim Bosnian Army in control of high ground east of the town.

The United Nations and the North Atlantic Treaty Organization are considering the creation of a NATO-enforced ban

on heavy weapons from an as-yet undetermined zone around Bihac that may include nearby parts of Croatia under the control of nationalist Serbs.

Surrounded for almost all of the Bosnian war by nationalist Serbs in Croatia and Bosnia, contingents of the Bosnian Army's Fifth Corps last month mounted an offensive southward against the Bosnian Serbs that netted them about 95 square miles (about 250 square kilometers) of territory.

Faced with Serbian infantry assaults backed up by tanks and heavy artillery, often firing from Serb-held Croatian territory, the Fifth Corps has been in retreat for days, losing about 90 percent of the territory it captured but hanging on to a key plateau east of Bihac known as Grabez.

UN military situation reports have noted heavy artillery and small-arms fire for three days in the Grabez area, indicating an ongoing battle.

Mr. Izetbegovic described the situation in Bihac as "extremely difficult." But, in the same press conference, the defense minister of Bosnian-Croatian Federation, Jadranko Prlic, a Bosnian Croat, said the government's forces were holding.

Mr. Izetbegovic said Bosnian Serbian forces, reinforced by at least one paratroop brigade from Yugoslavia and soldiers from the nearby Serb-held area of Croatia, had attacked the Bihac enclave from the east, west and south using 30 tanks, heavy artillery barrages and helicopter assaults. He said the Serbs had used helicopters based across the border in Croatia to mount an assault Wednesday on Gata, northwest of Bihac.

"We are asking urgent action from the Security Council and NATO," the Bosnian president said. "The American administration should become involved in order to stop these attacks."

Major Koos Sol, a UN military spokesman, confirmed heavy artillery attacks this morning on Izack, a village near Gata, but said the United Nations had no reports of helicopter assaults or large-scale infantry attacks on the area.

■ **France Criticizes U.S.**

France on Wednesday criticized the U.S. decision to stop enforcing the UN arms embargo on Bosnia and called on Washington to clarify whether it still backed peace efforts or wanted to help the Muslims reconquer land by force, Reuters reported from Paris.



SIGNS OF RECOVERY — Pope John Paul II blessing the crowd during a general audience Wednesday at the Vatican, which announced that the 74-year-old pontiff, who is recovering from illness, will travel to Asia in January.

Bishops Assail U.S. 'Culture of Violence'

By Laurie Goodstein

Washington Post Service

WASHINGTON — Every American bears responsibility

for the "culture of violence" infecting the nation, and every American must help recreate a culture of peace and civility, the nation's Roman Catholic bishops said in a call to action adopted Wednesday at their conference here.

While addressing the societal conflict, the bishops also sought to reduce tensions inside their church in passing a conciliatory statement on the role of women in the church. That statement provoked debate, however, as some bishops urged the inclusion of language denouncing the "radicalization of feminist issues."

In a pastoral letter addressed to all Americans, the bishops said that the pattern of aggression extends beyond the daily toll of shootings, stabbings and assaults.

They say they see violence in the hostile way people drive, the venom spewed on talk radio, the brutal political campaigns, the denigration of women in pornographic movies, and the barbarism of assisted suicide.

"We have met the enemy and it is us," said Bishop John H. Ricard of Baltimore, who presented the letter to the bishops. "We contribute to the culture of violence, we are a part of it."

In their unanimous passage of the pastoral letter on violence, the 280 bishops in effect declared that combating vio-

lence will now be a priority for the church's 60 million members in the United States.

The letter, which will be distributed widely through dioceses and parishes, is written, in simple, accessible language and includes a 10-page supplement offering 55 suggestions for action.

The letter sets the Catholic church's well-known opposition to abortion and the death penalty in the context of opposition to violence.

"We cannot teach that killing is wrong by killing," the letter says, and alludes to the murder of a doctor who performed abortions in Pensacola, Florida.

"We have reached the point in one very visible case where a jury has urged the execution of the person who murdered the physician who was destroying unborn children," the bishops say.

The bishops emphasized that their critique transcends traditional partisan and political boundaries. Bishop Ricard said that the nation needed instead "a moral revolution which begins with a fundamental respect for life" and "which calls the nation to move beyond the tired prescriptions of both right and left."

However, Cardinal Roger Mahony, archbishop of Los Angeles, said that the Republi-

cans "are in a good position to reinstate the common good."

But, he added, "they're going to have to demonstrate that they have a positive and not a punitive approach" to problems like crime and immigration. "If not, they may not be around in 1996."

Reaching Out to Women

In its policy statement on women, the bishops voted to make way for women to move up to the top ranks of church theologians, administrators and canon lawyers.

They also pledged to reject authoritarian conduct, use gender-neutral language in religious education materials and explore alternatives for women to share power in the church — short of the priesthood.

In their new statement — "Towards Strengthening the Bonds of Peace" — the bishops said that since the Pope had spoken definitively against women's ordination, the U.S. church needed to look at alternatives.

"We commit ourselves to enhancing the participation of women in every possible aspect of church life," the bishops said in the statement, approved 228 to 10.

They especially encouraged women to make inroads into the traditionally clergy-dominated fields of biblical studies, theology and canon law.

ISLAM: As Bosnia Loses Its Ethnic Balance, Muslim Roots Grow Longer

Continued from Page 1

power. Today, after the departure of more than 17,000 Croats and thousands of Serbs, it has become a Muslim city.

Beginning earlier this year with the firing of nonparty members from important positions throughout Bosnia, the transformation of the Sarajevo government began to disturb Bosnia's friends, including the United States. A State Department official said this year's annual human rights report would treat "Bosnia more as an ex-Communist country with an authoritarian past than a war victim like we did in previous years."

"We're concerned about the changes," he said. "Their retreat into authoritarian-

ism is logical, but we don't think it's necessary."

In some ways, however, the United States has helped to encourage this slide back into one-party rule.

The United States was the key initiator of a peace deal between Bosnia's Croatian and Muslim factions that was signed in Washington in March. Although the agreement ended a yearlong war between the two sides, the federation it established was not really between the Croats and Muslims but between two nationalist political organizations, Mr. Izetbegovic's Party of Democratic Action and the Croatian Democratic Movement. Influential posts in the government were divided between the par-

ties, creating what one Western official said were "two parallel one-party states."

In addition, the constitution of the federation, written under the supervision of U.S. negotiators, did not mention Serbs living among the Croats and the Muslims. This failure, which denied the Serbs high-level political representation in the federation, was a strong indication that the two parties were more interested in power than in the establishment of a tolerant society, the Western official said.

"It seems to me that they want a multi-cultural, multiethnic state with as little 'multi' as possible," said Ljubomir Berberovic, a Serbian intellectual and prominent member of Sarajevo's Academy of Science.

ANGOLA: Government Orders Troops to Hold Fire

Continued from Page 1

cast on state radio, called on his troops to respect the truce "scrupulously."

Optimism was guarded that the cease-fire would hold, although all previous efforts to stop the war that erupted on the eve of independence from Portugal in 1975 have failed.

In a measure to reassure Mr. Savimbi that his men would not face reprisals, Mr. Beye said the National Assembly quietly passed a blanket war crimes amnesty last week for both sides.

In recent weeks, the United

Nations' main problem has been persuading the government to halt its offensive so the peace could begin in an atmosphere of trust.

"I think they are now beginning to show some seriousness," said Major General Chris Garuba, a Nigerian who is presiding over the peace talks. "I believe it will hold this time around."

If it does, the southern region of Africa would be without war for the first time since the anti-colonial uprisings of the 1960s.

Mr. Savimbi now finds him-

self swimming against a regional tide of reconciliation and democracy — in South Africa, in Malawi, and most recently in Mozambique. With President Nelson Mandela of South Africa as the role model, the countries of southern Africa have begun to swing their diplomatic weight together.

The treaty to be signed Sunday would kick off a sequence of international policing that was lacking in previous peace agreements. (AP, NYT)

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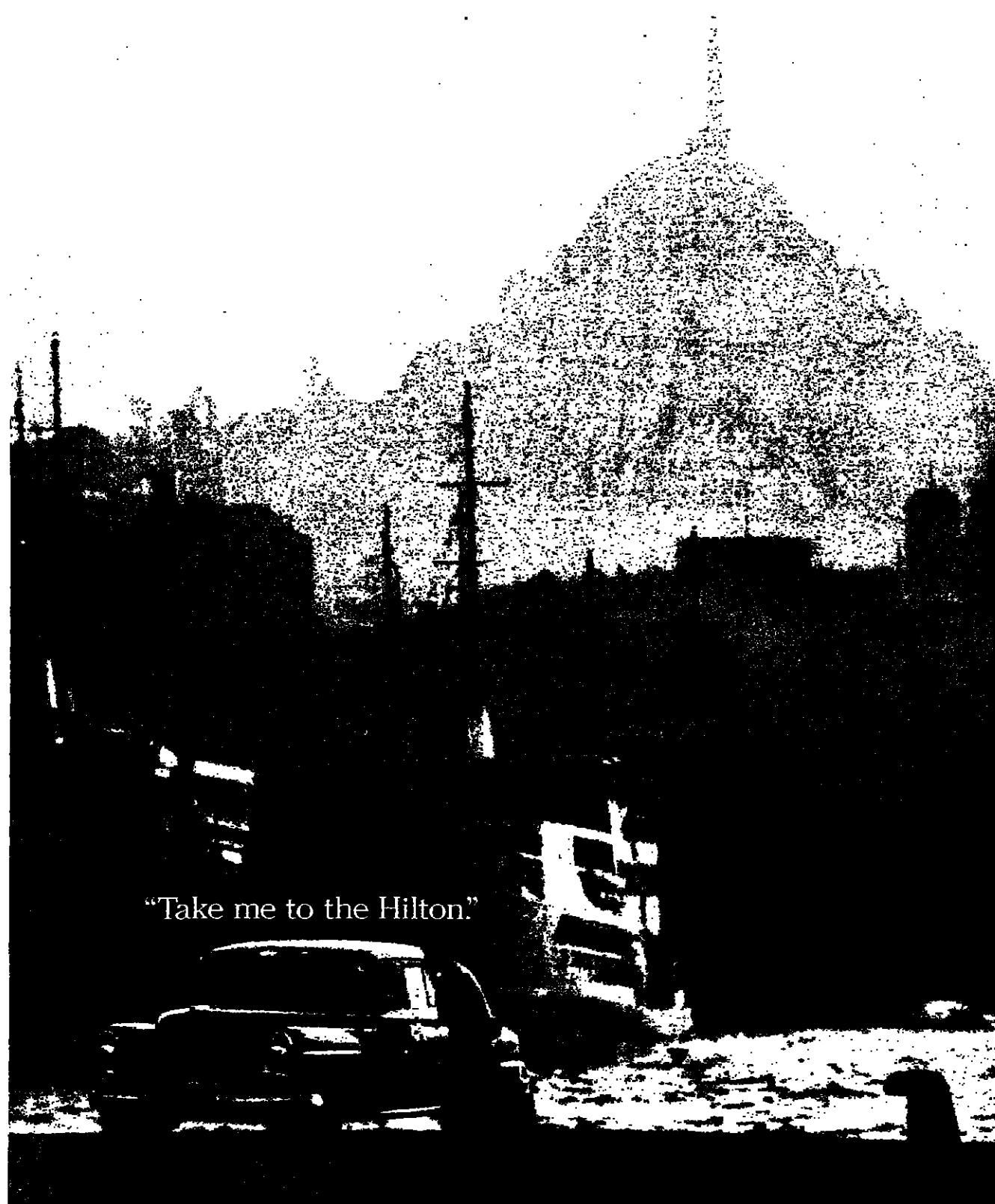
Russian Oil Executive Shot to Death at Home

Reuters

MOSCOW — Vladimir Zakharov, 44, an executive with Lukoil, Russia's biggest oil producer, was shot to death at his home in Moscow, according to a police statement Wednesday.

The police were investigating the possibility that the shooting was connected to a worsening crime wave.

The new crime wave has spawned a rash of shoot-outs between gangsters, contract killings and car bomb explosions in several of Russia's major cities.



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Clinton Fails to Move Suharto on Rights, and U.S. Stresses the Trade Lever



Commerce Secretary Ronald H. Brown talking Wednesday with Mr. Clinton before the president spoke in Jakarta.

By Elaine Sciolino
New York Times Service

JAKARTA — Two cultural divides over human rights in Indonesia were exposed Wednesday: one between President Bill Clinton and President Suharto of Indonesia, the other between the foreign policy and the economic policy of the United States.

Mr. Clinton's meeting with Mr. Suharto in an airy meeting room in the opulent Jakarta Palace proved how resistant foreign leaders can be when the president of the United States comes in and suggests, however gently, how things should be done.

And the tonal differences among cabinet officials as they sought to explain their message drew attention to the jarring tension between the administration's stated desire to export its values and its increasing need to export its goods.

Meeting for more than an hour in the aftermath of a summit meeting of 18 Pacific Rim countries, Mr. Clinton told Mr. Suharto that his treatment of his people would inhibit ties between the United States and Indonesia and rob him of the chance to flourish as a world leader, Secretary of State Warren M. Christopher said.

Mr. Christopher told reporters before meeting with Indonesia's government-appointed human rights organization that Mr. Clinton raised human rights "in firm and forceful terms," adding, "The relationship between the United States and Indonesia can never reach the highest levels if the people of the United States don't have confidence that there is an effort here to respect the human rights of all the citizens."

Mr. Suharto, who has been in control since the mid-1960s, apparently was not moved.

When Mr. Clinton praised Mr. Suharto's dialogue with the people of East Timor, the former Portuguese territory annexed by Indonesia, but said they needed more autonomy, Mr. Suharto balked. "He believes that the Indonesian government is dealing with the issue fairly," a senior administration official said.

In Mr. Suharto's overall remarks on human rights, the official added, "We're along the lines that have been previously expressed by the Indonesian government."

Another senior official translated what that meant: "Suharto didn't back down one inch. He gave well-rehearsed answers that he is used to repeating."

That is not surprising. Except for withholding military aid and training, there are no penalties if Mr. Suharto does not bend to Washington's wishes.

Mr. Suharto learned that early this year. Shortly after Treasury Secretary Lloyd Bentsen told Mr. Suharto in Jakarta that he had to do more on workers' rights if he wanted to retain his country's preferential trade privileges, Mickey Kantor, the U.S. trade representative, abruptly suspended the administration's review of the issue.

Now, administration officials say, the key to promoting human rights is not punishment, but more trade and investment, which they believe will spur economic growth and help spawn a middle class with both consumerism and democracy in mind.

Along with the heated rhetoric Wednesday about the need for Indonesia to do more on human rights was a second more

powerful message about the joys of trade. Indonesia is expected to spend more than \$100 billion in infrastructure projects by the year 2000, and the United States is determined to seize a large chunk of them.

Even as Mr. Clinton was mixing tough talk about human rights with happy talk about goals for free trade in the Asia-Pacific region in the partnership between the two countries on international issues, Secretary of Commerce Ronald H. Brown was finalizing arrangements for 15 projects that would be worth \$40 billion to both countries.

The largest is a multiyear \$35 billion project to develop a massive off-shore natural gas field.

Mr. Suharto had hoped that by being host of this year's meeting of the group of 18 leaders, known by the name Asia-Pacific Economic Cooperation, he would focus attention on his country's economic progress and forwardly leaning views on free trade.

Instead, the focus was dimmed by demonstrations in the East Timorese capital, Dili, and by a sit-in that began last Saturday on the U.S. Embassy grounds in Jakarta by 29 East Timorese who had demanded a meeting with either Mr. Clinton or Mr. Christopher.

Neither man nor any other senior administration official has met with them.

A number of Indonesia's private human rights organizations boycotted a meeting Wednesday with Winston Lord, the assistant secretary of state for East Asian and Pacific Affairs; Stanley Roth, the senior Asia specialist at the White House, and W. Bowman Cutter, the deputy director of the National Economic Council.

Foreign Journalists Were Buttoned Down and Buttoned Up

By Thomas W. Lippman
Washington Post Service

JAKARTA — With President Bill Clinton and so many other heads of state and prime ministers coming to town for the big free-trade summit meeting, President Suharto of Indonesia naturally wanted his capital to look its best and the event to come off smoothly.

In those circumstances, one-man rule has its advantages. Mr. Suharto ordered "Operation Cleansing" — streets were

cleaned, beggars dispersed, street vendors moved away from the big hotels.

But there was still one potentially hostile force to be controlled: the foreign press. Indonesia wanted to be sure the journalists dressed appropriately and asked polite questions.

Reporters traveling with Mr. Clinton were informed that the Indonesians would enforce a dress code: tie and solid-color coat for men, conservative skirts for women.

But how to keep those well-dressed reporters from asking questions that might embarrass the host, about human rights, say, or Indonesia's occupation of East Timor? Easy: Issue the appropriate order.

In a memo to all delegations at the 18-member Asia-Pacific Economic Cooperation forum, the Indonesian Foreign Ministry set down the rules for Mr. Suharto's only encounter with the foreign press, at the conclusion of the event Tuesday.

"Upon conclusion of the leaders' deliberations, President Suharto will hold a 30-minute press conference. Questions should be asked in English and addressed to the chairman only, not to any of the other leaders. In his capacity as APEC chair, President Suharto would like to take questions only with respect to the APEC process."

"The chairman will field only seven questions from the press corps. Each of the main geographic areas represented in

APEC will be entitled to ask one question. The breakdown of questions has been determined as follows: the host country, (1), North America, the United States and Canada (1), Latin America (1), Europe (1), Japan (1), China (1) and ASEAN [the Association of Southeast Asian Nations] excluding Indonesia, (1), for a total of seven questions. Pool heads should determine ahead of time how these questions will be allocated."

It almost worked. All but one of the questions were bland inquiries about "positive enhancement of the North-South dialogue" and the like.

The exception came from Elaine Sciolino of The New York Times, who asked Mr. Suharto how he plans to resolve the East Timor issue "once and for all."

Through his interpreter, he said it would take too much time to answer that question.

In Nepal Elections, Ruling Party Takes Backseat to Communist Alliance

The Associated Press

KATMANDU, Nepal — A Communist alliance took an early lead in parliamentary elections over the centrist party that has governed Nepal since 1991, winning 20 of the 30 seats

in results announced Wednesday.

The Nepali Congress of Prime Minister Girija Prasad Koirala won only six of the seats, and a pro-monarchy group took three. The remain-

ing seat went to an independent.

The prime minister won in Sunsari, 180 kilometers (110 miles) southeast of Katmandu, defeating his Communist rival by nearly 9,000 votes, and was

leading in a second constituency.

Mr. Koirala's government has been discredited because of Nepal's weak economy, and the Communists' promise to institute land reforms and break up large holdings held wide appeal

in this mountainous agricultural country.

A rebellion by 36 governing party lawmakers pulled down Mr. Koirala's government and forced elections 18 months ahead of schedule.

"It's a positive trend," Mad-

hav Kumar, secretary-general of the Communist Party of Nepal, said of the early returns.

Final results will not be declared for a week because the election commission ordered a recount in 64 polling stations in 33 constituencies.

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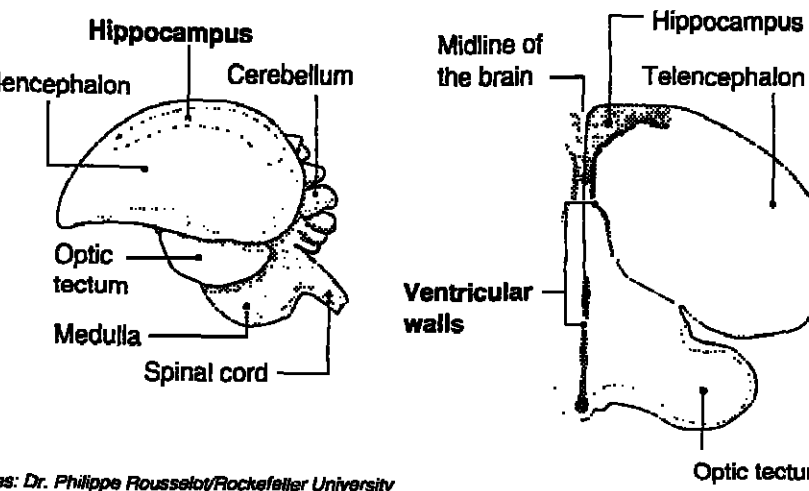
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Cross Section



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Armenia	8-10-185	Ecuador	171	Korea (Donguri)	0099-13	Poland	00704-800-115	United Arab Emirates	800-1-31
Australia (Optus)	0800-551-110	Egypt (Cairo)	300-077	Korea (KT) ☎	0091-16-1	Portugal	000712-1-877	United Kingdom (BT)	0800-900-877
Australia (Telstra)	1-800-881-877	Egypt (all other)	02-358-4777	Laos	800-777	Puerto Rico	1-800-877-8777	United Kingdom (Plenary)	0000-900-8777
Austria	022-003-014	ES Salvador	191	Latvia	153-977	Romania	01-800-0677	Uruguay	000-1-31
Bahamas	7-800-399-211	Finland	004-090-100-3	Lithuania	8-819-19	Russia (Moscow)	155-6133	Vietnam City	172-1877
Barbados	1-800-877-8000	Fiji Islands	000-900-1-0284	Luxembourg	0000-0115	Russia (all other)	8099-155-6153	Venezuela (English)	800-1111-40
Belgium	0800-10014	France	19-0-0387	Malaysia	0060-121	Saudi Arabia	253-0033	Venezuela (Spanish)	800-1111-11
Belize (Belize)	84	Germany	0130-013	Malaysia	800-0016	Senegal	1-233-0333		
Belize	84	Greece	008-001-411	Mexico	93-800-877-8000	Sierra Leone	172-1877		
Bermuda	1-800-623-0677	Hong Kong	936-1366	Monaco	19-0087	South Africa	1800-15		
Bhutan	0800-3333	India	195	Nash. Airlines	001-800-745-1111	Singapore	8000-177-177		
Brazil	0800-0016	Indonesia	001-800-121-2000	Netherlands	002-022-9119	South Africa	8000-99-0001		
British Virgin Isl.	1-800-877-3000	Hungary	008-1077	New Zealand	019-0-press code-phones etc.	Spain	900-99-0013		
Bulgaria	00-800-1010	Italy	011	(In-country calls)		St. Lucia	1-800-277-7468		
Canada	1-800-877-8000	Japan	00-900-001-877	New Zealand	000-999	St. Lucia	187		
China	00-9-0017	Latvia	999-003	Nicaragua	000-999	Sweden	052-799-011		
China (English) ☎	108-13	Malta	000-100-1	Nicaragua (Spanish)	171	Switzerland	153-777-071		
China (Mandarin) ☎	108-16	Indonesia	001-800-15	Nicaragua (Spanish Spanish)	161	Thailand	0888		
Colombia	9820-130-010	Ireland	1-800-35-2001	Nicaragua (English Spanish)	0088-14-0877	Thailand	0000-1-6-877		
Costa Rica	900-130-110	Israel	177-100-0772	Norway	800-1-9877	Togo	001-099-13-877		
Croatia	163	Italy	172-1877	Panama	115	Togo			
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Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

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1. The first part of the document is a list of names and addresses, which appears to be a directory or a list of subscribers. The names are written in a cursive script, and the addresses are listed below them. The list is organized into columns, with names in the first column and addresses in the second column.

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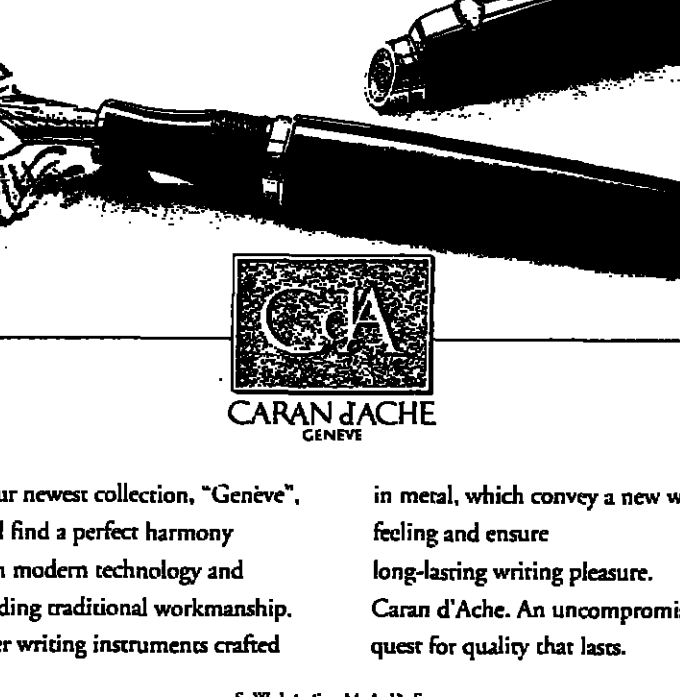
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SECRET

MARKET DIARY

Stocks Rise as Fears Over Rates Dwindle

NEW YORK — Stock prices rose Wednesday as rising oil and auto issues blunted concern that the Federal Reserve Board's decision Tuesday to raise interest rates would slow the economy and threaten corporate profits.

The Dow Jones industrial average closed 18.84 points high-

U.S. Stocks

er, at 3,845.20, but declining shares led advancing issues by about 6 to 5 on the New York Stock Exchange. Volume totaled 297 million shares.

The Dow was buoyed by Eastman Kodak, which closed up 2, at 49%, Procter & Gamble, which ended 1% higher, at 63%, and United Technologies, which finished up 1%, at 59%.

The rise in auto issues was led by Chrysler, which rose 1%, to 51. General Motors rose, to 39%. Some analysts said higher interest rates had not slowed the industry's growth prospects.

The benchmark 30-year Treasury bond was down 21/32, to 93 11/32, for a yield

of 8.09 percent, up from 8.04 percent Tuesday.

Traders said that despite the good performance of blue-chip issues, investors were still concerned about the potential effects of higher interest rates even after the Federal Reserve Board raised short-term interest rates three-quarters of a percentage point Tuesday.

Boeing stock rose 1%, to 45%, after the company said it was in talks with Chinese aircraft makers about participating in a project to manufacture small jets for the rapidly growing Asian aviation market.

Digital Equipment shares rose 2%, to 36, after Goldman Sachs added the company to its list of stocks recommended for purchase.

Medstar rose 9/4, to 26 1/4, after Thomson agreed to buy the company for about \$339 million.

Atari rose 7/16, to 5 1/4, after the video game company said Sega Enterprises, the Japanese video game giant, had won regulatory approval to make a \$90 million investment in Atari.

(Bloomberg, AP, Reuters)

DOLLAR: Better Days Ahead?

Continued from Page 1

where traders don't want to trade and investors don't want to invest," he said. "This means we won't have an instantaneous recovery, but one which builds."

After the big losses sustained this year by investors who had expected the dollar to rally, Mr. Chertkov added that it was not surprising that "the bets on the table are not anything like the

size that were on the table at the start of the year. Therefore, it will take longer to get a sustained dollar rally started."

John Lipsky at Salomon Brothers in New York sees the main risk to the dollar dependent on how quickly the Fed responds to data in the coming months showing any acceleration in the rate of inflation. As a result, he said, "there's no justification for a big rise in the dollar from where we are now."

"The U.S. bond market remains vulnerable to an upturn in inflation, and will remain vulnerable until there is a clear sign of decelerating economic growth," he said.

"So long as the risk remains for higher bond yields and new tightening by the Fed, foreign investors are unlikely to take a significantly more positive view to increasing their exposure to U.S. assets. And until that oc-

Foreign Exchange

curs, there's little chance that the dollar could strengthen substantially."

He added that "if U.S. inflation were to worsen and the bond market were to sell off — which remains a risk — then there is also a risk of renewed dollar weakness."

Michael Burke at Citibank in London said he saw "some pick-up in activity on the buying side" and estimated that the dollar is now "well supported."

He said that "at best" the dollar could rise over the next year to a high of 1.67 DM, but that it would then fall back.

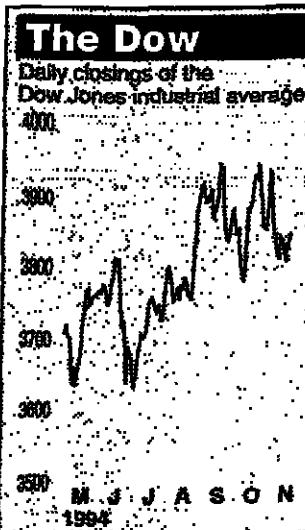
Analysts at S.G. Warburg said they doubted that the current rally would carry the dollar much above 1.58 DM and expected a renewed decline in the new year to below 1.50 DM and below 95 yen.

Dollar Consolidates

Traders said the softening of the dollar was mostly a consolidation of its sharp gains Tuesday after the U.S. rate increase, AFP-Exel News reported from New York.

The U.S. unit closed at 98.36 yen, off from 98.75 on Tuesday. It fell to 1.3043 Swiss francs from 1.3101 francs and to 5.3240 French francs from 5.3425 francs. The pound rose to \$1.5735 from \$1.5720.

Traders said that end-of-year window dressing was likely to keep the lid on near-term gains.



Source: M.J. JASON

NYSE Most Actives

| Vol. | High | Low | Last | Chg. |
|-----------|--------|--------|--------|-------|
| IBM | 102.50 | 102.00 | 102.50 | +0.50 |
| AT&T | 51.00 | 50.50 | 51.00 | +0.50 |
| Microsoft | 35.00 | 34.50 | 35.00 | +0.50 |
| Oracle | 25.00 | 24.50 | 25.00 | +0.50 |
| Novell | 20.00 | 19.50 | 20.00 | +0.50 |
| Intel | 15.00 | 14.50 | 15.00 | +0.50 |
| HP | 10.00 | 9.50 | 10.00 | +0.50 |
| Compaq | 8.00 | 7.50 | 8.00 | +0.50 |
| Motorola | 6.00 | 5.50 | 6.00 | +0.50 |
| Rockwell | 5.00 | 4.50 | 5.00 | +0.50 |

NASDAQ Most Actives

| Vol. | High | Low | Last | Chg. |
|-----------|-------|-------|-------|-------|
| Microsoft | 35.00 | 34.50 | 35.00 | +0.50 |
| Oracle | 25.00 | 24.50 | 25.00 | +0.50 |
| Novell | 20.00 | 19.50 | 20.00 | +0.50 |
| Intel | 15.00 | 14.50 | 15.00 | +0.50 |
| HP | 10.00 | 9.50 | 10.00 | +0.50 |
| Compaq | 8.00 | 7.50 | 8.00 | +0.50 |
| Motorola | 6.00 | 5.50 | 6.00 | +0.50 |
| Rockwell | 5.00 | 4.50 | 5.00 | +0.50 |
| Unisys | 4.00 | 3.50 | 4.00 | +0.50 |

AMEX Most Actives

| Vol. | High | Low | Last | Chg. |
|-----------------|-------|------|-------|-------|
| Goldman Sachs | 10.00 | 9.50 | 10.00 | +0.50 |
| JP Morgan | 8.00 | 7.50 | 8.00 | +0.50 |
| Bank of America | 6.00 | 5.50 | 6.00 | +0.50 |
| Wells Fargo | 5.00 | 4.50 | 5.00 | +0.50 |
| Citigroup | 4.00 | 3.50 | 4.00 | +0.50 |
| First Union | 3.00 | 2.50 | 3.00 | +0.50 |
| Bank One | 2.00 | 1.50 | 2.00 | +0.50 |
| Capital One | 1.00 | 0.50 | 1.00 | +0.50 |
| USAA | 0.50 | 0.00 | 0.50 | +0.50 |
| MetLife | 0.25 | 0.00 | 0.25 | +0.25 |

Market Sales

| NYSE | Vol. | Value |
|--------|-------------|---------|
| NYSE | 297,000,000 | \$10.5B |
| NASDAQ | 150,000,000 | \$2.5B |
| AMEX | 50,000,000 | \$0.5B |

Dow Jones Averages

| Index | High | Low | Last | Chg. |
|-----------|---------|---------|---------|--------|
| Dow Jones | 3845.20 | 3830.00 | 3845.20 | +15.20 |
| S&P 500 | 1120.00 | 1110.00 | 1120.00 | +10.00 |
| NASDAQ | 2500.00 | 2450.00 | 2500.00 | +50.00 |
| AMEX | 100.00 | 95.00 | 100.00 | +5.00 |

Standard & Poor's Indexes

| Index | High | Low | Last | Chg. |
|---------|---------|---------|---------|--------|
| S&P 500 | 1120.00 | 1110.00 | 1120.00 | +10.00 |
| S&P 400 | 1050.00 | 1040.00 | 1050.00 | +10.00 |
| S&P 600 | 950.00 | 940.00 | 950.00 | +10.00 |

NYSE Indexes

| Index | High | Low | Last | Chg. |
|----------|---------|---------|---------|--------|
| NYSE | 3845.20 | 3830.00 | 3845.20 | +15.20 |
| NYSE-100 | 1120.00 | 1110.00 | 1120.00 | +10.00 |
| NYSE-200 | 1050.00 | 1040.00 | 1050.00 | +10.00 |

NASDAQ Indexes

| Index | High | Low | Last | Chg. |
|------------|---------|---------|---------|--------|
| NASDAQ | 2500.00 | 2450.00 | 2500.00 | +50.00 |
| NASDAQ-100 | 1000.00 | 950.00 | 1000.00 | +50.00 |
| NASDAQ-200 | 800.00 | 750.00 | 800.00 | +50.00 |

AMEX Stock Index

| Index | High | Low | Last | Chg. |
|----------|--------|-------|--------|-------|
| AMEX | 100.00 | 95.00 | 100.00 | +5.00 |
| AMEX-100 | 100.00 | 95.00 | 100.00 | +5.00 |
| AMEX-200 | 100.00 | 95.00 | 100.00 | +5.00 |

Dow Jones Bond Averages

| Index | High | Low | Last | Chg. |
|---------------|--------|-------|--------|-------|
| Dow Jones | 100.00 | 95.00 | 100.00 | +5.00 |
| Dow Jones-100 | 100.00 | 95.00 | 100.00 | +5.00 |
| Dow Jones-200 | 100.00 | 95.00 | 100.00 | +5.00 |

NYSE Diary

| Index | High | Low | Last | Chg. |
|----------|---------|---------|---------|--------|
| NYSE | 3845.20 | 3830.00 | 3845.20 | +15.20 |
| NYSE-100 | 1120.00 | 1110.00 | 1120.00 | +10.00 |
| NYSE-200 | 1050.00 | 1040.00 | 1050.00 | +10.00 |

AMEX Diary

| Index | High | Low | Last | Chg. |
|----------|--------|-------|--------|-------|
| AMEX | 100.00 | 95.00 | 100.00 | +5.00 |
| AMEX-100 | 100.00 | 95.00 | 100.00 | +5.00 |
| AMEX-200 | 100.00 | 95.00 | 100.00 | +5.00 |

NASDAQ Diary

| Index | High | Low | Last | Chg. |
|------------|---------|---------|---------|--------|
| NASDAQ | 2500.00 | 2450.00 | 2500.00 | +50.00 |
| NASDAQ-100 | 1000.00 | 950.00 | 1000.00 | +50.00 |
| NASDAQ-200 | 800.00 | 750.00 | 800.00 | +50.00 |

Spot Commodities

| Commodity | High | Low | Last | Chg. |
|-----------|--------|--------|--------|-------|
| Gold | 380.00 | 375.00 | 380.00 | +5.00 |
| Silver | 15.00 | 14.50 | 15.00 | +0.50 |
| Copper | 1.50 | 1.45 | 1.50 | +0.05 |
| Aluminum | 0.50 | 0.45 | 0.50 | +0.05 |
| Crude Oil | 25.00 | 24.50 | 25.00 | +0.50 |

EUROPEAN FUTURES

| Index | High | Low | Last | Chg. |
|----------|---------|---------|---------|--------|
| EURO | 1120.00 | 1110.00 | 1120.00 | +10.00 |
| EURO-100 | 1050.00 | 1040.00 | 1050.00 | +10.00 |
| EURO-200 | 950.00 | 940.00 | 950.00 | +10.00 |

Financial

| Index | High | Low | Last | Chg. |
|---------------|--------|-------|--------|-------|
| Financial | 100.00 | 95.00 | 100.00 | +5.00 |
| Financial-100 | 100.00 | 95.00 | 100.00 | +5.00 |
| Financial-200 | 100.00 | 95.00 | 100.00 | +5.00 |

3-MONTH EUROPEAN (LIFTS)

| Index | High | Low | Last | Chg. |
|-------------|--------|-------|--------|-------|
| 3-MONTH | 100.00 | 95.00 | 100.00 | +5.00 |
| 3-MONTH-100 | 100.00 | 95.00 | 100.00 | +5.00 |
| 3-MONTH-200 | 100.00 | 95.00 | 100.00 | +5.00 |

3-MONTH EUROPEAN (LIFTS)

| Index | High | Low | Last | Chg. |
|-------------|--------|-------|--------|-------|
| 3-MONTH | 100.00 | 95.00 | 100.00 | +5.00 |
| 3-MONTH-100 | 100.00 | 95.00 | 100.00 | +5.00 |
| 3-MONTH-200 | 100.00 | 95.00 | 100.00 | +5.00 |

3-MONTH EUROPEAN (LIFTS)

| Index | High | Low | Last | Chg. |
|-------------|--------|-------|--------|-------|
| 3-MONTH | 100.00 | 95.00 | 100.00 | +5.00 |
| 3-MONTH-100 | 100.00 | 95.00 | 100.00 | +5.00 |
| 3-MONTH-200 | 100.00 | 95.00 | 100.00 | +5.00 |

3-MONTH EUROPEAN (LIFTS)

| Index | High | Low | Last | Chg. |
|-------------|--------|-------|--------|-------|
| 3-MONTH | 100.00 | 95.00 | 100.00 | +5.00 |
| 3-MONTH-100 | 100.00 | 95.00 | 100.00 | +5.00 |
| 3-MONTH-200 | 100.00 | 95.00 | 100.00 | +5.00 |

3-MONTH EUROPEAN (LIFTS)

| Index | High | Low | Last | Chg. |
|-------------|--------|-------|--------|-------|
| 3-MONTH | 100.00 | 95.00 | 100.00 | +5.00 |
| 3-MONTH-100 | 100.00 | 95.00 | 100.00 | +5.00 |
| 3-MONTH-200 | 100.00 | 95.00 | 100.00 | +5.00 |

3-MONTH EUROPEAN (LIFTS)

| Index | High | Low | Last | Chg. |
|-------------|--------|-------|--------|-------|
| 3-MONTH | 100.00 | 95.00 | 100.00 | +5.00 |
| 3-MONTH-100 | 100.00 | 95.00 | 100.00 | +5.00 |
| 3-MONTH-200 | 100.00 | 95.00 | 100.00 | +5.00 |

3-MONTH EUROPEAN (LIFTS)

| Index | High | Low | Last | Chg. |
|-------------|--------|-------|--------|-------|
| 3-MONTH | 100.00 | 95.00 | 100.00 | +5.00 |
| 3-MONTH-100 | 100.00 | 95.00 | 100.00 | +5.00 |
| 3-MONTH-200 | 100.00 | 95.00 | 100.00 | +5.00 |

3-MONTH EUROPEAN (LIFTS)

| Index | High | Low | Last | Chg. |
|-------------|--------|-------|--------|-------|
| 3-MONTH | 100.00 | 95.00 | 100.00 | +5.00 |
| 3-MONTH-100 | 100.00 | 95.00 | 100.00 | +5.00 |
| 3-MONTH-200 | 100.00 | 95.00 | 100.00 | +5.00 |

U.S. Prices Rise Less Than Expected

WASHINGTON (AP) — Consumer prices edged up 0.1 percent in October, the government said Wednesday, as falling energy prices and moderation in food costs combined to give the United States its best inflation performance in six months.

The increase in the Labor Department's consumer price index was smaller than most economists expected.

In other economic news, the government said that Americans in weekly earnings after adjusting for inflation rose 1.5 percent in October, the biggest monthly gain in more than 12 years. In a third report, the Commerce Department said that business inventories rose 0.5 percent in September, but business sales fell 0.2 percent in the month after a big surge in August.

PolyGram Acquires 50% of Def Jam

NEW YORK (Combined Dispatches) — PolyGram NV said Wednesday it had acquired half of RAL/Def Jam Recordings, a rap music label owned by Russell Simmons, for \$33 million.

The two companies began to work together in June after Mr. Simmons ended his nine-year distribution agreement with Sony Music Entertainment. He switched to PolyGram, which is 75 percent-owned by Philips Electronics NV. (Bloomberg, AFX)

Delcor Bids for National Gypsum

CHARLOTTE, North Carolina (Combined Dispatches) — Stock in National Gypsum Co., a major maker of gypsum wall-board, surged Wednesday after Delcor Inc. offered to buy the shares in the company that it does not already own.

Delcor, an investment company, proposed a merger that would give National Gypsum stockholders \$43.50 a share, valuing the company at about \$940 million. National Gypsum stock rose \$12.0625 to \$44.8125.

Delcor, a unit of Golden Eagle Industries Inc., now holds about 19 percent of National Gypsum's common. (AP, Bloomberg)

Morgan Stanley Profit Falls 35%

NEW YORK (Bloomberg) — Morgan Stanley Group Inc. said Wednesday its third-quarter earnings fell 35 percent as fees from investment banking and trading declined.

Profit at the securities firm fell to \$118 million from \$182 million. Investment banking revenue tumbled 36 percent to \$190 million, while revenue from trading, commissions and interest fell 6 percent to \$450 million.

Chase Said to Seek U.S. Trust Unit

NEW YORK (Reuters) — Chase Manhattan Corp. plans to buy the securities-processing business of U.S. Trust Corp. between \$400 million and \$500 million in the next two days, a source close to the deal said Wednesday.

U.S. Trust said it was in negotiations with "a third party" to sell the unit. Both U.S. Trust and Chase declined to comment further. U.S. Trust shares rose \$3.125 to \$64.625.

For the Record

Union Carbide Corp. and Mitsubishi Corp. will sell newly issued common stock representing 75 percent of Ucar International Inc.'s outstanding shares to a new company formed by Blackstone Capital Partners. (Knight-Ridder)

Intel Sees Higher PC Sales

International Herald Tribune

LAS VEGAS — Andrew S. Grove, president of Intel Corp., said Wednesday that 1 billion personal computers could be sold in the coming decade, a level of sales that would be more than twice the current annual rate of 400 million units.

Mr. Grove, whose company makes more than 70 percent of the processing chips used in personal computers, also said the current generation of computers required too many add-on devices for sound, graphics and communications.

He said the next generation of machines should include many of these functions on the processing chip rather than require peripheral devices, such as sound and video cards, that must be attached to computers and that do not always work well together.

WORLD STOCK MARKETS

Agencies: France Press, Nov. 16

Amsterdam

| Index | High | Low | Last | Chg. |
|---------------|---------|---------|---------|--------|
| Amsterdam | 1120.00 | 1110.00 | 1120.00 | +10.00 |
| Amsterdam-100 | 1050.00 | 1040.00 | 1050.00 | +10.00 |
| Amsterdam-200 | 950.00 | 940.00 | 950.00 | +10.00 |

Brussels

| Index | High | Low | Last | Chg. |
|--------------|--------|-------|--------|-------|
| Brussels | 100.00 | 95.00 | 100.00 | +5.00 |
| Brussels-100 | 100.00 | 95.00 | 100.00 | +5.00 |
| Brussels-200 | 100.00 | 95.00 | 100.00 | +5.00 |

London

| Index | High | Low | Last | Chg. |
|------------|---------|---------|---------|--------|
| London | 2500.00 | 2450.00 | 2500.00 | +50.00 |
| London-100 | 1000.00 | 950.00 | 1000.00 | +50.00 |
| London-200 | 800.00 | 750.00 | 800.00 | +50.00 |

Paris

| Index | High | Low | Last | Chg. |
|-----------|--------|-------|--------|-------|
| Paris | 100.00 | 95.00 | 100.00 | +5.00 |
| Paris-100 | 100.00 | 95.00 | 100.00 | +5.00 |
| Paris-200 | 100.00 | 95.00 | 100.00 | +5.00 |

Tokyo

| Index | High | Low | Last | Chg. |
|-----------|---------|---------|---------|--------|
| Tokyo | 1120.00 | 1110.00 | 1120.00 | +10.00 |
| Tokyo-100 | 1050.00 | 1040.00 | 1050.00 | +10.00 |
| Tokyo-200 | 950.00 | 940.00 | 950.00 | +10.00 |

Singapore

| | | | | |
|---------------|--------|-------|--------|-------|
| Index | High | Low | Last | Chg. |
| Singapore | 100.00 | 95.00 | 100.00 | +5.00 |
| Singapore-100 | 1 | | | |

EUROPE

Institutions Get Chance to Buy Renault Shares

Bloomberg Business News
PARIS — Renault SA shares, though snubbed by individual investors, are likely to be snapped up by institutions when they begin trading Thursday on the Paris Bourse.

While demand from individual investors was tepid at the government's partial privatization of the automaker, institutional investors last week demanded 15.5 times their allotment from the government. "Institutions are going to be allocated a small amount of shares from the government and will want to buy," said Carole Guerin, a trader at Leven Chaussier in Paris.

Edmond Alphandery, the economy minister of France, said individual demand for shares Wednesday at 165 francs (73¢) each had equaled 1.4 times the number of shares available. That was far weaker than the demand for shares of other state companies sold during the past year.

Shares for institutional investors were priced at 176 francs, and in the so-called gray market, where prices are set in the days leading up to public trading, Renault shares were being offered at 179 francs to 180 francs.

Mr. Alphandery said Renault was not comparable to other French privatization efforts, because the government will retain a 50.1 percent stake. In other cases, the government gave up control.

Many analysts said Renault shares would be an attractive long-term investment only when the state gave up majority control. Then investors would not have to worry about political considerations hampering the strategy of the company, which employs 100,000 workers in France and has traditionally been a bastion of labor strength.

The French government received 7.95 billion francs from the sale Wednesday.

Analysts said the relatively weak demand from individuals reflected a reluctance to buy stocks in general because of a slumping market. French income taxes, which had to be paid recently, also may have cut into private spending.

The CAC-40 index of French blue-chip shares has fallen 16 percent since the beginning of the year. The market's slide hurt prices of four other companies that had been privatized — Elf Aquitaine, Rhône-Poulenc SA, Banque Nationale de Paris and Union des Assurances de Paris — although some have managed to recover.

VW to Raise Skoda Stake
Volkswagen AG is expected to agree Friday to raise its stake in the Czech carmaker Skoda Automobilova AS, Reuters reported from Prague.

A source was quoted as saying Volkswagen would increase its stake in Skoda to 50.5 percent from 31 percent.

Dorotheum Bids for Higher Role

Austrian Auction House Aims for Global Expansion

By Roni Amelan

Special to the Herald Tribune
VIENNA — Austria's leading auction company, the Dorotheum Auktions-Versatz- & Bank GmbH, set up in 1707 by imperial decree to offer cheap credit to Austria's poor, has embarked on an ambitious global expansion despite the sluggishness of the world art market.

Hoping to improve on the state-owned company's 1993 revenue of 1.5 billion schillings (\$138 million), Alfred Karny, the general director, has concluded a series of international cooperation deals including, in mid-October, a sale of postwar Austrian art conducted jointly with Sotheby's Kunstauktionen GmbH in Vienna.

A more lasting international alliance was forged in the spring when the Dorotheum joined the International Association of Auctioneers, along with the British auction house Bonhams; the leading auctioneers on the U.S. West Coast, Butterfield & Butterfield; and the New York rare-book specialists Swann Galleries. A separate deal was concluded with Toshi International, a Tokyo gallery, last month for representation in Japan.

But what is unique about the Dorotheum is the position it occupies, and nurtures, in Austria, where it plays the parts of pawn shop, savings bank, bargain-jewelry retailer and auction house. Exhibits are displayed in the well-lit restored lobby of its Belle Epoch palace, which since 1991 has also held a cafe open to the public.

With 22 branches across Austria and in Prague, the company seeks to draw people from a far wider circle than the international art set. This is why, Mr. Karny said, the company opened its Prague branch in 1992. "It was a long-term investment destined to get a foothold in the nascent Czech art market and to facilitate access to art pieces for auctions in Vienna."

Mr. Karny said that "direct jewelry sales in Prague have been attracting a lot

of people, which is good for us." He is considering "maybe one day" holding auctions in Prague.

Mr. Karny is probably correct in claiming that his company "is as much of an institution as Schönbrunn," the imperial palace near Vienna.

The Dorotheum ranks as the ninth auction house on the world market, and

400,000 customers who account for 400 million schillings in outstanding loans.

According to Mr. Karny, most of the loans are given "to people too hard up to obtain bank credits." But random interviews showed that many well-heeled Austrians have been known to use this service at least once in their lives.

Until not so long ago, many middle-class women, though not driven by necessity, would pawn their furs in the summer. Secure in the knowledge that their pelts would be well looked after, the women preferred to get cash rather than pay for cold storage. But furs are increasingly hard to sell, and the Dorotheum no longer accepts them so willingly.

In Vienna, individual cells are reserved for shy patrons eager not to be seen while they pawn their family jewels, battered Walkmans and, at least once, "a parrot — although it is general policy not to accept living things," Mrs. Strebl said.

Since 1921, the Dorotheum has been operating a savings bank to refinance loans, for which it charges a 30 percent annual interest rate. The Dorotheum has to get rid of the approximately 20 percent of pawned goods that are never redeemed. This is why it began to hold auctions in the 19th century and later turned to direct sales as well.

Mr. Karny is now concentrating on quality sales with color catalogs, but he said: "Our policy goes in both directions. We want to get everyone to the Dorotheum, while concentrating on quality for the world market."

Bric-a-brac auctions are still held at the Dorotheum twice a day, but the organization now publishes catalogs for about 10 specialist auctions a year.

But the Dorotheum still does not benefit from real exposure on the key markets of London and New York.

François Curjel, Christie's vice chairman for Europe, said the Dorotheum was "sometimes a local competitor when we want to get a certain piece."

The Dorotheum plays the parts of pawn shop, savings bank, bargain-jewelry retailer and auction house.

Mr. Karny says he knows he cannot compete with the two giants, Sotheby's Holdings Inc. and Christie's International PLC.

He said that "these are early days" in the Dorotheum's international development. In 1979, the institution became a limited liability company, after more than two centuries as a nonprofit organization. It has since become "the Central European leader in Old Masters auctions," said Michaela Strebl, a spokeswoman.

Mr. Karny said his international policy was intended to "increase our sales force, to get the sort of force which Sotheby's has."

Speaking on condition of anonymity, one market expert dismissed the Dorotheum's international alliances as "gimmicks," saying that, "very few such partnerships have yielded tangible results in the past."

Mr. Karny said his determination to improve the Dorotheum's international standing had not deflected his commitment to its "social role" and his intention to continue accepting pawns from

Investor's Europe

| Frankfurt DAX | London FTSE 100 Index | Paris CAC 40 |
|---------------|-----------------------|--------------|
| 2300 | 3000 | 2800 |
| 2200 | 2900 | 2700 |
| 2100 | 2800 | 2600 |
| 2000 | 2700 | 2500 |
| 1900 | 2600 | 2400 |
| 1800 | 2500 | 2300 |
| 1700 | 2400 | 2200 |
| 1600 | 2300 | 2100 |
| 1500 | 2200 | 2000 |
| 1400 | 2100 | 1900 |
| 1300 | 2000 | 1800 |
| 1200 | 1900 | 1700 |
| 1100 | 1800 | 1600 |
| 1000 | 1700 | 1500 |
| 900 | 1600 | 1400 |
| 800 | 1500 | 1300 |
| 700 | 1400 | 1200 |
| 600 | 1300 | 1100 |
| 500 | 1200 | 1000 |
| 400 | 1100 | 900 |
| 300 | 1000 | 800 |
| 200 | 900 | 700 |
| 100 | 800 | 600 |
| 0 | 700 | 500 |

Sources: Reuters, AFP International Herald Tribune

Very briefly:

- Britain's annual retail inflation rate rose to 2.4 percent in October from 2.2 percent in September, while its unemployment fell by 45,800 to 2.52 million, or 8.9 percent of the work force.
- Swissair said flight operations posted a loss of 220 million Swiss francs (\$169 million) in the first nine months of the year, indicating a deeper loss than in the same period a year ago.
- Land Securities PLC said profit rose a slight 2.5 percent, to £118.9 million (\$188 million) from £116 million, despite a weak British property sector.
- Hoechst AG's management board chairman, Jürgen Dormann, said profit was likely to grow by at least the same rate in the second half of 1994 as in the first half, when pretax profit rose 39 percent and net profit climbed 62 percent.
- Hambros PLC, the British merchant banking group, said profit slid 54 percent to £21.5 million in the six months ended Sept. 30.
- RTZ Corp. said an accord reached in October to sell its Ridgeway mine to Kinross Gold USA Inc. for \$47 million had been called off; it would not comment further. *Reuters, APX, Bloomberg*

EU to Debate How to Replace Telecom Monopolies

Compiled by Our Staff From Dispatches

BRUSSELS — On Thursday, European Union telecommunications ministers are expected to agree on Jan. 1, 1998, as a deadline for abolishing telecommunications monopolies, but steps to allow cable television companies and others to compete sooner are likely to be thwarted, diplomats said Wednesday.

The union decided last year that ordinary telephone calls should be exposed to free competition before 1998, but they did not agree to a timetable for ending state monopolies in other services such as data transmission, mobile communications and corporate phone networks.

As an interim step, the European Commission proposed last

month allowing companies operating television cables, railway telephone lines and other so-called alternative networks to supply a restricted number of telecommunications services from next year.

Only France, Britain, Germany and the Netherlands support the commission proposal, officials said. The decision requires unanimous backing.

Officials said Belgium, Spain, Portugal and Ireland, countries that had been given until 2003 to open up telephone calls to full competition, were seeking similar delays in opening up other services.

"It is likely that the ministers will adopt a resolution liberalizing infrastructure, but it is unclear with which conditions and with what wording on liberaliz-

ing alternative infrastructure," one source said.

France, Britain, Germany and the Netherlands will probably press for strict conditions on universal access, interconnection charges, licensing and access for non-EU operators, diplomats added.

Many diplomats said any decision would not stop the commission from deciding on competition rights regarding cable-TV networks.

An aide to Karel Van Miert, the competition commissioner, said Mr. Van Miert would propose opening cable-TV networks after the ministerial meeting.

The telecommunications ministers are also likely to set digital television standards to be used by manufacturers of

sets, broadcasters and producers, the diplomats said.

(AFX/AP)

EU Looks Into French Aid

The European Commission decided to investigate alleged subsidies given by France to its public television production company, Société Française de Production, Agence France-Presse reported.

The commission said it would pursue its investigation after it found that two rival producers had sufficient reason to complain that the French government had breached the terms of recapitalization packages approved by the commission in 1991 and 1992.

Under the recapitalization packages, the French govern-

ment and other public shareholders pumped a total of 1.43 billion francs (\$270 million) into Société Française de Production, winning authorization from the commission on condition that these were final cash injections and would be used to fund a restructuring program.

But according to the rival companies, the French government has given a further 460 million francs to the company since 1992 and was contemplating a 400-million-franc injection this year.

The government rejected these claims, maintaining that the new funding was essential to prevent the company from going into bankruptcy while the restructuring plan, delayed by the slump in the property market, was being completed.

Aided by Its Treasury, EBRD Manages a Profit

Compiled by Our Staff From Dispatches

LONDON — The European Bank for Reconstruction and Development said Wednesday it had an operating profit of 3.6 million Euro (about \$4.5 million) in the third quarter, reversing a second-quarter loss of 6.1 million Euros.

The turnaround was fueled by what bank officials called an "outstanding" performance by its treasury department, which manages and invests the bank's cash.

For the full year, bank officials said they expected to be "around break-even" but said they did not really know. Officials spoke on

condition of anonymity at a press briefing.

A little more than a year ago, the bank was under attack for inefficiency and the flamboyant spending of its first president, Jacques Attali. His more subdued replacement, Jacques de Larosière, has pledged to put the bank back on track.

The officials said the pace of project approvals would pick up toward the end of the year. They said that would mean higher costs for the last quarter, because additional deals would involve bills for items such as legal and accounting services. *(Bloomberg, Reuters)*

Industrialist In Portugal Regains Bank

Compiled by Our Staff From Dispatches

LISBON — Antonio Champalimaud, a Portuguese industrialist, bought 80 percent of the state-run Banco Pinto e Sotto Mayor SA, a bank he owned before nationalization in 1975, for 37.3 billion escudos (\$237 million), the Lisbon stock exchange said Wednesday.

The remaining 20 percent is to be sold later to small investors and employees.

Bidding through his insurance company, Mr. Champalimaud outbid the investment bank Finantia. Mr. Champalimaud, one of a small group of industrialists who controlled much of the economy before Portugal's revolution in 1974, fled to Brazil after the revolution and built another financial empire based on the cement business. He later returned to Portugal.

(AP, Reuters)

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AMSTERDAM DEPOSITORY COMPANY N.V.
Amsterdam, November 14, 1994.

LVMH

MOËT HENNESSY • LOUIS VUITTON

REPORTS 16.5 % RISE IN NINE-MONTH SALES

In the first nine months of 1994, the LVMH Group recorded consolidated net sales of FF 18.8 billion, an increase of 16.5 % over the comparable 1993 period. The lower exchange rates of certain currencies against the French franc hampered the growth in sales in the third quarter. On a constant currency basis, nine-month sales are up 14.4 %.

By segment of activity, Group sales increased as follows:

| In FF millions | 1993 | 1994 |
|------------------------------|---------------|---------------|
| Champagne and Wines | 3,067 | 3,205 |
| Cognac and Spirits | 4,159 | 4,244 |
| Luggage and Leather Goods | 3,946 | 4,782 |
| Perfumes and Beauty Products | 4,366 | 5,085 |
| Other activities | 582 | 1,470 |
| LVMH | 16,120 | 18,786 |

In the Champagne and Wines segment, sales volume rose by 10 %, in line with the progression recorded in the first six months of the year. LVMH's global brands - Dom Pérignon, Moët & Chandon and Veuve Clicquot - posted the strongest growth rates.

In Cognac and Spirits, the growth in sales was hindered by the lower exchange rates of the Japanese yen and US dollar. As a whole, sales volume was 3 % higher than in the comparable 1993 period. In the Japanese market, sales continued to improve despite the moderate pace of the economic recovery.

In Luggage and Leather Goods, sales growth was limited by current undercapacity resulting from continued sustained demand. In 1995, the increase in Louis Vuitton's production capacity should enable the company to fully meet the growth in demand.

Finally, in the Perfumes and Beauty Products segment, sales of Parfums Christian Dior, Givenchy and Kenzo rose by 15 % over the first nine months of 1993. The outstanding success of Christian Dior's "Tendre Poison" and "Hydra Star" was comforted in the third quarter. Three launches were successfully conducted by segment companies: "Insensé Ultramarine" by Givenchy; the introduction of Kenzo perfumes in the US market; and the European launch of "Kashaya de Kenzo". Guerlain is consolidated in the segment's financial statements since the beginning of the second half.

Taking into account current sales growth and the activity outlook for the last quarter of the year, LVMH continues to aim at net income growth of over 20 % for the year as a whole.

LVMH, THE WORLD'S LEADING LUXURY PRODUCTS GROUP

ASIA AND THE PACIFIC 1994: MERGING BUSINESS AND THE ENVIRONMENT

The Regent Bangkok, Thailand - December 7-8, 1994

An international environment forum, designed to promote dialogue between government ministers, leaders of business and industry and leading environmentalists worldwide, with a view to harmonizing economic growth and sustainable development.

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Vivien Peters, Asia-Pacific Conference Office,
International Herald Tribune, Hong Kong
Tel: (852) 9222 1163 Fax: (852) 9222 1190

CONFERENCE ORGANIZERS

Herald Tribune

Thailand Environment Institute (TEI)



Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect trade elsewhere. *Via The Associated Press*

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| 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 | 2053 | 2054 | 2055 | 2056 | 2057 | 2058 | 2059 | 2060 | 2061 | 2062 | 2063 | 2064 | 2065 | 2066 | 2067 | 2068 | 2069 | 2070 | 2071 | 2072 | 2073 | 2074 | 2075 | 2076 | 2077 | 2078 | 2079 | 2080 | 2081 | 2082 | 2083 | 2084 | 2085 | 2086 | 2087 | 2088 | 2089 | 2090 | 2091 | 2092 | 2093 | 2094 | 2095 | 2096 | 2097 | 2098 | 2099 | 2100 | 2101 | 2102 | 2103 | 2104 | 2105 | 2106 | 2107 | 2108 | 2109 | 2110 | 2111 | 2112 | 2113 | 2114 | 2115 | 2116 | 2117 | 2118 | 2119 | 2120 | 2121 | 2122 | 2123 | 2124 | 2125 | 2126 | 2127 | 2128 | 2129 | 2130 | 2131 | 2132 | 2133 | 2134 | 2135 | 2136 | 2137 | 2138 | 2139 | 2140 | 2141 | 2142 | 2143 | 2144 | 2145 | 2146 | 2147 | 2148 | 2149 | 2150 | 2151 | 2152 | 2153 | 2154 | 2155 | 2156 | 2157 | 2158 | 2159 | 2160 | 2161 | 2162 | 2163 | 2164 | 2165 | 2166 | 2167 | 2168 | 2169 | 2170 | 2171 | 2172 | 2173 | 2174 | 2175 | 2176 | 2177 | 2178 | 2179 | 2180 | 2181 | 2182 | 2183 | 2184 | 2185 | 2186 | 2187 | 2188 | 2189 | 2190 | 2191 | 2192 | 2193 | 2194 | 2195 | 2196 | 2197 | 2198 | 2199 | 2200 | 2201 | 2202 | 2203 | 2204 | 2205 | 2206 | 2207 | 2208 | 2209 | 2210 | 2211 | 2212 | 2213 | 2214 | 2215 | 2216 | 2217 | 2218 | 2219 | 2220 | 2221 | 2222 | 2223 | 2224 | 2225 | 2226 | 2227 | 2228 | 2229 | 2230 | 2231 | 2232 | 2233 | 2234 | 2235 | 2236 | 2237 | 2238 | 2239 | 2240 | 2241 | 2242 | 2243 | 2244 | 2245 | 2246 | 2247 | 2248 | 2249 | 2250 | 2251 | 2252 | 2253 | 2254 | 2255 | 2256 | 2257 | 2258 | 2259 | 2260 | 2261 | 2262 | 2263 | 2264 | 2265 | 2266 | 2267 | 2268 | 2269 | 2270 | 2271 | 2272 | 2273 | 2274 | 2275 | 2276 | 2277 | 2278 | 2279 | 2280 | 2281 | 2282 | 2283 | 2284 | 2285 | 2286 | 2287 | 2288 | 2289 | 2290 | 2291 | 2292 | 2293 | 2294 | 2295 | 2296 | 2297 | 2298 | 2299 | 2300 | 2301 | 2302 | 2303 | 2304 | 2305 | 2306 | 2307 | 2308 | 2309 | 2310 | 2311 | 2312 | 2313 | 2314 | 2315 | 2316 | 2317 | 2318 | 2319 | 2320 | 2321 | 2322 | 2323 | 2324 | 2325 | 2326 | 2327 | 2328 | 2329 | 2330 | 2331 | 2332 | 2333 | 2334 | 2335 | 2336 | 2337 | 2338 | 2339 | 2340 | 2341 | 2342 | 2343 | 2344 | 2345 | 2346 | 2347 | 2348 | 2349 | 2350 | 2351 | 2352 | 2353 | 2354 | 2355 | 2356 | 2357 | 2358 | 2359 | 2360 | 2361 | 2362 | 2363 | 2364 | 2365 | 2366 | 2367 | 2368 | 2369 | 2370 | 2371 | 2372 | 2373 | 2374 | 2375 | 2376 | 2377 | 2378 | 2379 | 2380 | 2381 | 2382 | 2383 | 2384 | 2385 | 2386 | 2387 | 2388 | 2389 | 2390 | 2391 | 2392 | 2393 | 2394 | 2395 | 2396 | 2397 | 2398 | 2399 | 2400 | 2401 | 2402 | 2403 | 2404 | 2405 | 2406 | 2407 | 2408 | 2409 | 2410 | 2411 | 2412 | 2413 | 2414 | 2415 | 2416 | 2417 | 2418 | 2419 | 2420 | 2421 | 2422 | 2423 | 2424 | 2425 | 2426 | 2427 | 2428 | 2429 | 2430 | 2431 | 2432 | 2433 | 2434 | 2435 | 2436 | 2437 | 2438 | 2439 | 2440 | 2441 | 2442 | 2443 | 2444 | 2445 | 2446 | 2447 | 2448 | 2449 | 2450 | 2451 | 2452 | 2453 | 2454 | 2455 | 2456 | 2457 | 2458 | 2459 | 2460 | 2461 | 2462 | 2463 | 2464 | 2465 | 2466 | 2467 | 2468 | 2469 | 2470 | 2471 | 2472 | 2473 | 2474 | 2475 | 2476 | 2477 | 2478 | 2479 | 2480 | 2481 | 2482 | 2483 | 2484 | 2485 | 2486 | 2487 | 2488 | 2489 | 2490 | 2491 | 2492 | 2493 | 2494 | 2495 | 2496 | 2497 | 2498 | 2499 | 2500 | 2501 | 2502 | 2503 | 2504 | 2505 | 2506 | 2507 | 2508 | 2509 | 2510 | 2511 | 2512 | 2513 | 2514 | 2515 | 2516 | 2517 | 2518 | 2519 | 2520 | 2521 | 2522 | 2523 | 2524 | 2525 | 2526 | 2527 | 2528 | 2529 | 2530 | 2531 | 2532 | 2533 | 2534 | 2535 | 2536 | 2537 | 2538 | 2539 | 2540 | 2541 | 2542 | 2543 | 2544 | 2545 | 2546 | 2547 | 2548 | 2549 | 2550 | 2551 | 2552 | 2553 | 2554 | 2555 | 2556 | 2557 | 2558 | 2559 | 2560 | 2561 | 2562 | 2563 | 2564 | 2565 | 2566 | 2567 | 2568 | 2569 | 2570 | 2571 | 2572 | 2573 | 2574 | 2575 | 2576 | 2577 | 2578 | 2579 | 2580 | 2581 | 2582 | 2583 | 2584 | 2585 | 2586 | 2587 | 2588 | 2589 | 2590 | 2591 | 2592 | 2593 | 2594 | 2595 | 2596 | 2597 | 2598 | 2599 | 2600 | 2601 | 2602 | 2603 | 2604 | 2605 | 2606 | 2607 | 2608 | 2609 | 2610 | 2611 | 2612 | 2613 | 2614 | 2615 | 2616 | 2617 | 2618 | 2619 | 2620 | 2621 | 2622 | 2623 | 2624 | 2625 | 2626 | 2627 | 2628 | 2629 | 2630 | 2631 | 2632 | 2633 | 2634 | 2635 | 2636 | 2637 | 2638 | 2639 | 2640 | 2641 | 2642 | 2643 | 2644 | 2645 | 2646 | 2647 | 2648 | 2649 | 2650 | 2651 | 2652 | 2653 | 2654 | 2655 | 2656 | 2657 | 2658 | 2659 | 2660 | 2661 | 2662 | 2663 | 2664 | 2665 | 2666 | 2667 | 2668 | 2669 | 2670 | 2671 | 2672 | 2673 | 2674 | 2675 | 2676 | 2677 | 2678 | 2679 | 2680 | 2681 | 2682 | 2683 | 2684 | 2685 | 2686 | 2687 | 2688 | 2689 | 2690 | 2691 | 2692 | 2693 | 2694 | 2695 | 2696 | 2697 | 2698 | 2699 | 2700 | 2701 | 2702 | 2703 | 2704 | 2705 | 2706 | 2707 | 2708 | 2709 | 2710 | 2711 | 2712 | 2713 | 2714 | 2715 | 2716 | 2717 | 2718 | 2719 | 2720 | 2721 | 2722 | 2723 | 2724 | 2725 | 2726 | 2727 | 2728 | 2729 | 2730 | 2731 | 2732 | 2733 | 2734 | 2735 | 2736 | 2737 | 2738 | 2739 | 2740 | 2741 | 2742 | 2743 | 2744 | 2745 | 2746 | 2747 | 2748 | 2749 | 2750 | 2751 | 2752 | 2753 | 2754 | 2755 | 2756 | 2757 | 2758 | 2759 | 2760 | 2761 | 2762 | 2763 | 2764 | 2765 | 2766 | 2767 | 2768 | 2769 | 2770 | 2771 | 2772 | 2773 | 2774 | 2775 | 2776 | 2777 | 2778 | 2779 | 2780 | 2781 | 2782 | 2783 | 2784 | 2785 | 2786 | 2787 | 2788 | 2789 | 2790 | 2791 | 2792 | 2793 | 2794 | 2795 | 2796 | 2797 | 2798 | 2799 | 2800 | 2801 | 2802 | 2803 | 2804 | 2805 | 2806 | 2807 | 2808 | 2809 | 2810 | 2811 | 2812 | 2813 | 2814 | 2815 | 2816 | 2817 | 2818 | 2819 | 2820 | 2821 | 2822 | 2823 | 2824 | 2825 | 2826 | 2827 | 2828 | 2829 | 2830 | 2831 | 2832 | 2833 | 2834 | 2835 | 2836 | 2837 | 2838 | 2839 | 2840 | 2841 | 2842 | 2843 | 2844 | 2845 | 2846 | 2847 | 2848 | 2849 | 2850 | 2851 | 2852 | 2853 | 2854 | 2855 | 2856 | 2857 | 2858 | 2859 | 2860 | 2861 | 2862 | 2863 | 2864 | 2865 | 2866 | 2867 | 2868 | 2869 | 2870 | 2871 | 2872 | 2873 | 2874 | 2875 | 2876 | 2877 | 2878 | 2879 | 2880 | 2881 | 2882 | 2883 | 2884 | 2885 | 2886 | 2887 | 2888 | 2889 | 2890 | 2891 | 2892 | 2893 | 2894 | 2895 | 2896 | 2897 | 2898 | 2899 | 2900 | 2901 | 2902 | 2903 | 2904 | 2905 | 2906 | 2907 | 2908 | 2909 | 2910 | 2911 | 2912 | 2913 | 2914 | 2915 | 2916 | 2917 | 2918 | 2919 | 2920 | 2921 | 2922 | 2923 | 2924 | 2925 | 2926 | 2927 | 2928 | 2929 | 2930 | 2931 | 2932 | 2933 | 2934 | 2935 | 2936 | 2937 | 2938 | 2939 | 2940 | 2941 | 2942 | 2943 | 2944 | 2945 | 2946 | 2947 | 2948 | 2949 | 2950 | 2951 | 2952 | 2953 | 2954 | 2955 | 2956 | 2957 | 2958 | 2959 | 2960 | 2961 | 2962 | 2963 | 2964 | 2965 | 2966 | 2967 | 2968 | 2969 | 2970 | 2971 | 2972 | 2973 | 2974 | 2975 | 2976 | 2977 | 2978 | 2979 | 2980 | 2981 | 2982 | 2983 | 2984 | 2985 | 2986 | 2987 | 2988 | 2989 | 2990 | 2991 | 2992 | 2993 | 2994 | 2995 | 2996 | 2997 | 2998 | 2999 | 3000 |
|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-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1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 26

(Continued)

| Month | High | Low | Stock | Div | Yld | PE | Stk | High | Low | Latest | Chg |
|-------|--------|-------|---------|------|------|-------|--------|--------|-------|--------|------|
| Jan | 100.00 | 95.00 | 1000000 | 1.00 | 4.00 | 15.00 | 100.00 | 100.00 | 95.00 | 100.00 | 0.00 |
| Feb | 100.00 | 95.00 | 1000000 | 1.00 | 4.00 | 15.00 | 100.00 | 100.00 | 95.00 | 100.00 | 0.00 |
| Mar | 100.00 | 95.00 | 1000000 | 1.00 | 4.00 | 15.00 | 100.00 | 100.00 | 95.00 | 100.00 | 0.00 |
| Apr | 100.00 | 95.00 | 1000000 | 1.00 | 4.00 | 15.00 | 100.00 | 100.00 | 95.00 | 100.00 | 0.00 |
| May | 100.00 | 95.00 | 1000000 | 1.00 | 4.00 | 15.00 | 100.00 | 100.00 | 95.00 | 100.00 | 0.00 |
| Jun | 100.00 | 95.00 | 1000000 | 1.00 | 4.00 | 15.00 | 100.00 | 100.00 | 95.00 | 100.00 | 0.00 |
| Jul | 100.00 | 95.00 | 1000000 | 1.00 | 4.00 | 15.00 | 100.00 | 100.00 | 95.00 | 100.00 | 0.00 |
| Aug | 100.00 | 95.00 | 1000000 | 1.00 | 4.00 | 15.00 | 100.00 | 100.00 | 95.00 | 100.00 | 0.00 |
| Sep | 100.00 | 95.00 | 1000000 | 1.00 | 4.00 | 15.00 | 100.00 | 100.00 | 95.00 | 100.00 | 0.00 |
| Oct | 100.00 | 95.00 | 1000000 | 1.00 | 4.00 | 15.00 | 100.00 | 100.00 | 95.00 | 100.00 | 0.00 |
| Nov | 100.00 | 95.00 | 1000000 | 1.00 | 4.00 | 15.00 | 100.00 | 100.00 | 95.00 | 100.00 | 0.00 |
| Dec | 100.00 | 95.00 | 1000000 | 1.00 | 4.00 | 15.00 | 100.00 | 100.00 | 95.00 | 100.00 | 0.00 |

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NASDAQ

Wednesday's 4 p.m.
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

| 12 Month High | Low | Stock | Div | Yld | PE | 52 Wk High | Low | Stock | Div | Yld | PE | 52 Wk High | Low | Stock | Div | Yld | PE |
|---------------|------|-----------|------|-----|------|------------|------|-----------|------|-----|------|------------|------|-----------|------|-----|------|
| 12.0 | 11.0 | Alcoa | 0.40 | 4.0 | 15.0 | 12.0 | 11.0 | Alcoa | 0.40 | 4.0 | 15.0 | 12.0 | 11.0 | Alcoa | 0.40 | 4.0 | 15.0 |
| 11.0 | 10.0 | Amgen | 0.50 | 3.0 | 20.0 | 11.0 | 10.0 | Amgen | 0.50 | 3.0 | 20.0 | 11.0 | 10.0 | Amgen | 0.50 | 3.0 | 20.0 |
| 10.0 | 9.0 | Boeing | 0.60 | 2.0 | 25.0 | 10.0 | 9.0 | Boeing | 0.60 | 2.0 | 25.0 | 10.0 | 9.0 | Boeing | 0.60 | 2.0 | 25.0 |
| 9.0 | 8.0 | IBM | 0.70 | 1.0 | 30.0 | 9.0 | 8.0 | IBM | 0.70 | 1.0 | 30.0 | 9.0 | 8.0 | IBM | 0.70 | 1.0 | 30.0 |
| 8.0 | 7.0 | Microsoft | 0.80 | 0.5 | 40.0 | 8.0 | 7.0 | Microsoft | 0.80 | 0.5 | 40.0 | 8.0 | 7.0 | Microsoft | 0.80 | 0.5 | 40.0 |

| 12 Month High | Low | Stock | Div | Yld | PE | 52 Wk High | Low | Stock | Div | Yld | PE | 52 Wk High | Low | Stock | Div | Yld | PE |
|---------------|-----|------------------|------|-----|------|------------|-----|------------------|------|-----|------|------------|-----|------------------|------|-----|------|
| 7.0 | 6.0 | Oracle | 0.90 | 0.2 | 50.0 | 7.0 | 6.0 | Oracle | 0.90 | 0.2 | 50.0 | 7.0 | 6.0 | Oracle | 0.90 | 0.2 | 50.0 |
| 6.0 | 5.0 | Sun Microsystems | 1.00 | 0.1 | 60.0 | 6.0 | 5.0 | Sun Microsystems | 1.00 | 0.1 | 60.0 | 6.0 | 5.0 | Sun Microsystems | 1.00 | 0.1 | 60.0 |
| 5.0 | 4.0 | Veritas | 1.10 | 0.0 | 70.0 | 5.0 | 4.0 | Veritas | 1.10 | 0.0 | 70.0 | 5.0 | 4.0 | Veritas | 1.10 | 0.0 | 70.0 |
| 4.0 | 3.0 | Wang | 1.20 | 0.0 | 80.0 | 4.0 | 3.0 | Wang | 1.20 | 0.0 | 80.0 | 4.0 | 3.0 | Wang | 1.20 | 0.0 | 80.0 |
| 3.0 | 2.0 | Xerox | 1.30 | 0.0 | 90.0 | 3.0 | 2.0 | Xerox | 1.30 | 0.0 | 90.0 | 3.0 | 2.0 | Xerox | 1.30 | 0.0 | 90.0 |

| 12 Month High | Low | Stock | Div | Yld | PE | 52 Wk High | Low | Stock | Div | Yld | PE | 52 Wk High | Low | Stock | Div | Yld | PE |
|---------------|-----|-------------------|------|-----|-------|------------|-----|-------------------|------|-----|-------|------------|-----|-------------------|------|-----|-------|
| 2.0 | 1.0 | 3M | 1.40 | 0.0 | 100.0 | 2.0 | 1.0 | 3M | 1.40 | 0.0 | 100.0 | 2.0 | 1.0 | 3M | 1.40 | 0.0 | 100.0 |
| 1.0 | 0.0 | Eastman Kodak | 1.50 | 0.0 | 110.0 | 1.0 | 0.0 | Eastman Kodak | 1.50 | 0.0 | 110.0 | 1.0 | 0.0 | Eastman Kodak | 1.50 | 0.0 | 110.0 |
| 0.0 | 0.0 | Johnson & Johnson | 1.60 | 0.0 | 120.0 | 0.0 | 0.0 | Johnson & Johnson | 1.60 | 0.0 | 120.0 | 0.0 | 0.0 | Johnson & Johnson | 1.60 | 0.0 | 120.0 |
| 0.0 | 0.0 | Pfizer | 1.70 | 0.0 | 130.0 | 0.0 | 0.0 | Pfizer | 1.70 | 0.0 | 130.0 | 0.0 | 0.0 | Pfizer | 1.70 | 0.0 | 130.0 |
| 0.0 | 0.0 | Roche | 1.80 | 0.0 | 140.0 | 0.0 | 0.0 | Roche | 1.80 | 0.0 | 140.0 | 0.0 | 0.0 | Roche | 1.80 | 0.0 | 140.0 |

| 12 Month High | Low | Stock | Div | Yld | PE | 52 Wk High | Low | Stock | Div | Yld | PE | 52 Wk High | Low | Stock | Div | Yld | PE |
|---------------|-----|-----------------|------|-----|-------|------------|-----|-----------------|------|-----|-------|------------|-----|-----------------|------|-----|-------|
| 0.0 | 0.0 | Schering-Plough | 1.90 | 0.0 | 150.0 | 0.0 | 0.0 | Schering-Plough | 1.90 | 0.0 | 150.0 | 0.0 | 0.0 | Schering-Plough | 1.90 | 0.0 | 150.0 |
| 0.0 | 0.0 | Novartis | 2.00 | 0.0 | 160.0 | 0.0 | 0.0 | Novartis | 2.00 | 0.0 | 160.0 | 0.0 | 0.0 | Novartis | 2.00 | 0.0 | 160.0 |
| 0.0 | 0.0 | Sandoz | 2.10 | 0.0 | 170.0 | 0.0 | 0.0 | Sandoz | 2.10 | 0.0 | 170.0 | 0.0 | 0.0 | Sandoz | 2.10 | 0.0 | 170.0 |
| 0.0 | 0.0 | Novo Nordisk | 2.20 | 0.0 | 180.0 | 0.0 | 0.0 | Novo Nordisk | 2.20 | 0.0 | 180.0 | 0.0 | 0.0 | Novo Nordisk | 2.20 | 0.0 | 180.0 |
| 0.0 | 0.0 | Novartis | 2.30 | 0.0 | 190.0 | 0.0 | 0.0 | Novartis | 2.30 | 0.0 | 190.0 | 0.0 | 0.0 | Novartis | 2.30 | 0.0 | 190.0 |

| 12 Month High | Low | Stock | Div | Yld | PE | 52 Wk High | Low | Stock | Div | Yld | PE | 52 Wk High | Low | Stock | Div | Yld | PE |
|---------------|-----|----------|------|-----|-------|------------|-----|----------|------|-----|-------|------------|-----|----------|------|-----|-------|
| 0.0 | 0.0 | Novartis | 2.40 | 0.0 | 200.0 | 0.0 | 0.0 | Novartis | 2.40 | 0.0 | 200.0 | 0.0 | 0.0 | Novartis | 2.40 | 0.0 | 200.0 |
| 0.0 | 0.0 | Novartis | 2.50 | 0.0 | 210.0 | 0.0 | 0.0 | Novartis | 2.50 | 0.0 | 210.0 | 0.0 | 0.0 | Novartis | 2.50 | 0.0 | 210.0 |
| 0.0 | 0.0 | Novartis | 2.60 | 0.0 | 220.0 | 0.0 | 0.0 | Novartis | 2.60 | 0.0 | 220.0 | 0.0 | 0.0 | Novartis | 2.60 | 0.0 | 220.0 |
| 0.0 | 0.0 | Novartis | 2.70 | 0.0 | 230.0 | 0.0 | 0.0 | Novartis | 2.70 | 0.0 | 230.0 | 0.0 | 0.0 | Novartis | 2.70 | 0.0 | 230.0 |
| 0.0 | 0.0 | Novartis | 2.80 | 0.0 | 240.0 | 0.0 | 0.0 | Novartis | 2.80 | 0.0 | 240.0 | 0.0 | 0.0 | Novartis | 2.80 | 0.0 | 240.0 |

| 12 Month High | Low | Stock | Div | Yld | PE | 52 Wk High | Low | Stock | Div | Yld | PE | 52 Wk High | Low | Stock | Div | Yld | PE |
|---------------|-----|----------|------|-----|-------|------------|-----|----------|------|-----|-------|------------|-----|----------|------|-----|-------|
| 0.0 | 0.0 | Novartis | 2.90 | 0.0 | 250.0 | 0.0 | 0.0 | Novartis | 2.90 | 0.0 | 250.0 | 0.0 | 0.0 | Novartis | 2.90 | 0.0 | 250.0 |
| 0.0 | 0.0 | Novartis | 3.00 | 0.0 | 260.0 | 0.0 | 0.0 | Novartis | 3.00 | 0.0 | 260.0 | 0.0 | 0.0 | Novartis | 3.00 | 0.0 | 260.0 |
| 0.0 | 0.0 | Novartis | 3.10 | 0.0 | 270.0 | 0.0 | 0.0 | Novartis | 3.10 | 0.0 | 270.0 | 0.0 | 0.0 | Novartis | 3.10 | 0.0 | 270.0 |
| 0.0 | 0.0 | Novartis | 3.20 | 0.0 | 280.0 | 0.0 | 0.0 | Novartis | 3.20 | 0.0 | 280.0 | 0.0 | 0.0 | Novartis | 3.20 | 0.0 | 280.0 |
| 0.0 | 0.0 | Novartis | 3.30 | 0.0 | 290.0 | 0.0 | 0.0 | Novartis | 3.30 | 0.0 | 290.0 | 0.0 | 0.0 | Novartis | 3.30 | 0.0 | 290.0 |

| 12 Month High | Low | Stock | Div | Yld | PE | 52 Wk High | Low | Stock | Div | Yld | PE | 52 Wk High | Low | Stock | Div | Yld | PE |
|---------------|-----|----------|------|-----|-------|------------|-----|----------|------|-----|-------|------------|-----|----------|------|-----|-------|
| 0.0 | 0.0 | Novartis | 3.40 | 0.0 | 300.0 | 0.0 | 0.0 | Novartis | 3.40 | 0.0 | 300.0 | 0.0 | 0.0 | Novartis | 3.40 | 0.0 | 300.0 |
| 0.0 | 0.0 | Novartis | 3.50 | 0.0 | 310.0 | 0.0 | 0.0 | Novartis | 3.50 | 0.0 | 310.0 | 0.0 | 0.0 | Novartis | 3.50 | 0.0 | 310.0 |
| 0.0 | 0.0 | Novartis | 3.60 | 0.0 | 320.0 | 0.0 | 0.0 | Novartis | 3.60 | 0.0 | 320.0 | 0.0 | 0.0 | Novartis | 3.60 | 0.0 | 320.0 |
| 0.0 | 0.0 | Novartis | 3.70 | 0.0 | 330.0 | 0.0 | 0.0 | Novartis | 3.70 | 0.0 | 330.0 | 0.0 | 0.0 | Novartis | 3.70 | 0.0 | 330.0 |
| 0.0 | 0.0 | Novartis | 3.80 | 0.0 | 340.0 | 0.0 | 0.0 | Novartis | 3.80 | 0.0 | 340.0 | 0.0 | 0.0 | Novartis | 3.80 | 0.0 | 340.0 |

REPUBLIC OF LATVIA

International Tender for the sale of INDUSTRIAL ENTERPRISES

by the Latvian Privatization Agency

Enterprise number, name, location (in brackets: type of business [capacity p. a. if available], turnover in 1993 in LVL (Latvian Lats if available)/number of employees mid 1994)

| BUILDING MATERIAL | |
|---|--|
| (LV-46) VU "Jelgava Building Materials Plant" Jelgava, LV 3000 (Fiberglass plates [20,000 cbm], [0.3 mill. LVL/90]) | |
| (LV-98) VU "Smiltene Wood and Metal Manufacturing Company" Smiltene, LV 4729 (Waste bins [100,000 pcs], Metal hangers [46 pcs], wooden cottages [200 pcs], [65]) | |
| FOOD PROCESSING | |
| (LV-19) VU "Riga Fish Processing Plant" Riga, LV 3264 (Tinned fish [4.5 mill. cans], fish products [1,200 t], [2.2 mill. LVL/92]) | |
| (LV-36) VU "Riga Fat Processing Complex" Riga, LV 1004 (Soap [toilet soap 3,500 t, laundry soap 8,000 t], mayonnaise, bottling of vegetable oil [3,000 t], [1.6 mill. LVL/94]) | |
| (LV-86) VU "Riga Fishery" Riga, LV 1020 (Fish [95,000 t], [17.3 mill. LVL/2,068]) | |
| HEAVY ENGINEERING | |
| (LV-53) Assets of Riga Ship Repair Plant No.177 (State owned) Riga, LV 1016 (Ship repair [floating dry dock, 4,500 t (117 x 22 m), 350 m quay], diesel turbine engine overhaul [100 pcs], [2.6 mill. LVL/17]) | |
| LIGHT ENGINEERING | |
| (LV-04) A/S "STRUMINE" Riga, LV 3602 (Electrical appliances, mixers [200,000 pcs], coffee grinders [500,000 pcs], kitchen machines [73,000 pcs], electrical heaters [40,000 pcs], [1.0 mill. LVL/251]) | |
| (LV-24) VU "Latvian" Valmiera, LV 4200 (Fire extinguishing systems and extinguishers [4,100 units], [0.8 mill. LVL/377]) | |
| (LV-87) VU "Rigas Plastika" Riga, LV 1045 (Sheet polyethylene [300,000 t], [0.55 mill. LVL/88]) | |
| (LV-82) VU "Progress" Riga, LV 1006 (Car accessories, transmission heaters, [0.13 mill. LVL/92]) | |

| PAPER AND PRINTING | |
|---|--|
| (LV-46) VU "Riga Cardboard Factory" Riga, LV 1004 (Cardboard articles [8 mill. sqm], [0.14 mill. LVL/90]) | |
| (LV-95) Assets of VU "Stalcoles Paper Factory" (leased out) Limbazi, LV 4043 (Blue paper [150,000 cbm], stationery [800,000 cbm], kraft paper [1.5 mill. sqm], [29,000 LVL/42]) | |
| TEXTILE INDUSTRY | |
| (LV-56) VU "Kraslava Flax Processing Factory" Kraslava, LV 5601 (Flax fibers [1,100 t], long flax fibers [400 t], [12,000 LVL/10]) | |
| (LV-57) VU "Ludza Flax Processing Factory" Ludza, LV 5701 (Long and short flax fibers, linen [1,100 t flax fiber], [30,000 LVL/64]) | |
| (LV-81) VU "Preli Flax Processing Factory" Preli, LV 5318 (Flax fibers [1,200 t], long flax fibers [500 t], [7] (production stopped in 1992)) | |
| (LV-91) VU "Rigas Flaks" Riga, LV 1009 (Felt hats, [production stopped in 1993/10]) | |
| TRANSPORTATION | |
| (LV-31) VU "Ventspils Transporta Ekspedicija" Ventspils, LV 3602 (Road transport [freight turnover 126,000 t], forwarding, warehousing, [2.5 mill. LVL/127]) | |
| (LV-32) VU "Rozeknes Transporta Apgabviba" Rozekne, LV 4600 (Road transport [37 mill. km], [0.15 mill. LVL/190]) | |
| (LV-52) A/S "BasteTransportacija" Riga, LV 1064 (Road transport [9.2 mill. km], [0.2 mill. LVL/127]) | |
| (LV-81) VU "Riga River Transport" Riga, LV 1007 (Inland navigation [6 river barges, 2,800 t], [80]) | |

| WOOD AND WOOD PROCESSING | |
|---|--|
| (LV-06) VU "Daugavpils Furniture Plant" Daugavpils, LV 5400 (Bedroom furniture sets [11,700 pcs], wardrobes [13,100 pcs], beds [7,400 pcs], armchairs [1,880 pcs], divan beds [840 pcs], folding chairs [220,000 pcs], [0.5 mill. LVL/359]) | |
| (LV-09) VU "Latgale Furniture Plant" Riga, LV 1019 (Upholstered furniture [1,0 mill. LVL/200]) | |
| (LV-50) VU "Kurzemis Priekse Forestry" Liepaja, LV 5401 (Sawn timber [200,000 cbm], Europallets [8,000 cbm], [68]) | |
| (LV-62) VU "Aukstene Forestry" Aukstene, LV 4300 (Sawn timber [1,400 cbm], wooden crates [2,500 cbm], paper wood [2,000 cbm], wooden chips [450 t], [0.22 mill. LVL/112]) | |
| (LV-63) VU "Cesu Forestry" Cesis, LV 4100 (Round timber export [50,000 cbm], sawn timber [12,000 cbm], wooden chips [10,000 cbm], firewood [20,000 cbm], [0.3 mill. LVL/96]) | |
| (LV-64) A/S "Daugavpils Forestry" Daugavpils, LV 5400 (Timber logging [70,000 cbm], sawn timber [2,000 cbm], [0.6 mill. LVL/207]) | |
| (LV-65) VU "Gulbene Forestry" Gulbene, LV 4400 (Timber logging [50,000 cbm], sawn timber [3,500 cbm], [0.25 mill. LVL/158]) | |
| (LV-66) VU "Inčukalna Forestry" Riga region, LV 2141 (Round timber [36,000 cbm], sawn timber [7,000 cbm], wooden chips [20,000 cbm], firewood [20,000 cbm], [1.1 mill. LVL/272]) | |
| (LV-67) Assets of VU "Jaunjelgava Forestry" (leased out) Aizkraukle region, LV 5134 (Wood processing [24,000 cbm], [0.42 mill. LVL/114]) | |

| OTHERS | |
|---|--|
| (LV-68) Assets of VU "Jelkabpils Forestry" (leased out) Jelkabpils, LV 5205 (Timber logging [208,000 cbm], sawn timber [8,000 cbm], [0.4 mill. LVL/92]) | |
| (LV-69) A/S "Koknese Forestry" Aizkraukle region, LV 5113 (Timber logging [80,000 cbm], sawn timber [3,000 cbm], [0.8 mill. LVL/293]) | |
| (LV-73) VU "Mazsalaca Forestry" Valmiera region, LV 4215 (Pulp-wood [8,500 cbm], sawn timber [1,000 cbm], firewood [15,000 cbm], plywood logs [1,400 cbm], [0.34 mill. LVL/167]) | |
| (LV-74) A/S "Ogre Forestry" Ogre, LV 5000 (Sawn timber [2,600 cbm], paper wood [8,500 cbm], firewood [23,000 cbm], [0.6 mill. LVL/191]) | |
| (LV-76) VU "Salduze Forestry" Salduze, LV 3801 (Timber logging [46,000 cbm], sawn timber, [0.5 mill. LVL/140]) | |
| (LV-77) A/S "Strenču Forestry" Valmiera region, LV 4730 (Paper pulp [20,000 cbm], barks [11,000 cbm], plywood logs [3,500 cbm], techn. wood-pulp [15,000 cbm], sawn timber [3,000 cbm], firewood [20,000 cbm], [0.8 mill. LVL/204]) | |
| (LV-78) VU "Talsi Forestry" Talsi, LV 3257 (Paper wood [8,200 cbm], sawn timber [7,300 cbm], round logs [3,000 cbm], [0.4 mill. LVL/235]) | |
| (LV-79) VU "Tukums Forestry" Tukums, LV 3100 (Round logs [15,000 cbm], firewood [13,000 cbm], sawn timber [1,500 cbm], [0.5 mill. LVL/150]) | |
| (LV-80) VU "Ziguri Forestry" Balvi region, LV 4584 (Timber logging [25,000 cbm], sawn timber [2,500 cbm], match logs [1,200 cbm], [0.7 mill. LVL/209]) | |
| (LV-106) VU "Dundaga Forestry" Talsi, LV 3270 (Timber logging [10,000 cbm], sawn timber [1,500 cbm], [88]) | |



| OTHERS | |
|---|--|
| (LV-21) VU "Oltane Chemical-Pharmaceutical Plant" Oltane, LV 2114 (Medicines [1,500 mill. tablets], raw materials for medicines [700 t], byproducts [600 t], [4.3 mill. LVL/969]) | |
| (LV-49) VU "Līvāni Biochemical Plant" Līvāni, LV 5316 (Concentrated forage lysin [3,000 t], [production stopped in 1992/64]) | |
| (LV-60) VU "Skaistas Wholesale" Jelgava, LV 3000 (Vegetables and flower seeds wholesale [0.2 mill. LVL/52]) | |
| (LV-89) VU "Riga Travel and Excursion Office" Riga, LV 1050 (Travel agency, [20,000 LVL/99]) | |
| (LV-101) VU "Balvi Road Construction" Balvi, LV 4500 (Road construction, asphalt [70,000 t], filling material [200 mill. cbm], [0.1 mill. LVL/54]) | |

Tender Conditions

- In accordance with its legal mandate the Latvian Privatization Agency LPA intends to sell the aforementioned enterprises by means of an international tender in the following manner:
 - a) bids for a state owned joint stock company (organized as A/S under Latvian law) must be for the majority of the shares of the company. LPA may reserve a minority of the shares of the company for future public offering of shares;
 - b) bids for a state owned enterprise (organized as VU under Latvian law) must be for its total operations;
 - c) bids for a plant or leased out enterprise must be for its total assets (e.g. buildings, leasehold, equipment and inventory) with inventory finally to be valued as of the time of acquisition;
 - d) bids for assets or parts of an enterprise must be for a separable unit of a A/S, VU or plant, with inventory finally to be valued as of the time of acquisition.
- The tender is public and anyone may bid.
- In deciding among the bids, LPA will take into consideration, among other things, the bid price, promises to maintain or create jobs, pledges to invest, and the business plan submitted, each of which will be considered part of the bid. Upon signing a contract, the successful bidder will be required to post a bond to guarantee these pledges.
- Interested parties can obtain enterprise and plant profiles without charge from LPA. LPA is not responsible for the accuracy and completeness of this information. Prospective bidders will receive written authorization from LPA to visit the enterprises or plants on the basis of which information will be provided by the enterprise or plant management.
- Bids must be in writing and should be submitted in a sealed envelope marked only with the name of the enterprise or plant for which the bid is submitted.
- Bids must be received at LPA, 31, K. Valdemara Street, Riga, Latvia-1050, no later than 2:00 p.m. (local time), on Dec. 22, 1994 (the "closing date"). Bids will thereafter be opened immediately. Bids must be denominated in Latvian Lats (LVL), and shall remain valid for one hundred and twenty (120) days after the closing date.
- Bids must be accompanied by a bond of five (5) percent of the bid value in the form of an irrevocable bank guarantee valid for one hundred and twenty (120) days after the closing date. The bond must be payable on first demand and will be forfeited if the bidder either fails to hold his bid open for the required period or refuses to sign a contract in accordance with his bid.
- LPA will decide on the bids within one hundred and twenty (120) days after the closing date. Bidders may present their bid within a period set by LPA. LPA is entitled to accept a bid other than that with the highest purchase price or may reject any of the bids at any time.
- The privatization of the tendered enterprises will be carried out according to applicable Latvian law.

LPA (Latvian Privatization Agency)
Druvis Skulte State Minister for Privatization Jānis Naglis Generaldirektor

Office hours of LPA are Monday through Friday from 9 a.m. until 4 p.m. (local time).

For further information (enterprise profile, data on Latvia, visit authorization) please contact:



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This project is funded by the
German Ministry of Finance
and EU-PHARE

Vietnam Nears Accord to Mine Iron Ore Site

Bloomberg Business News
HANOI — Fried. Krupp AG Hoesch-Krupp, Germany's largest steelmaker, and Lohrhof PLC of Britain are close to signing a \$1.3 billion contract with Vietnam Steel Corp. to mine iron ore in northern Vietnam, the state-owned steelmaker said Wednesday.

Dam Tung Vu, an executive of Vietnam Steel, said a South African company would also join the consortium but did not wish to be named at this stage. The proposed mining site, in Thach Khe in northern Ha Tinh Province, is estimated to contain 300 million tons of commercially viable ore, making the project one of the biggest mining ventures yet planned in Vietnam.

Under current estimates, the project would require investment of \$1.3 billion over 30 years. Gerhard Jooss, the managing director of Krupp, told a local English-language newspaper, Vietnam News.

Krupp and Lohrhof have completed a \$5 million feasibility study for the mine, and work could start in 1996, Mr. Jooss said. The study reportedly proposed an operation that could produce 10 million tons of ore annually.

Krupp is also planning to open a representative office in Hanoi to look into other opportunities in cement production, energy and machinery, according to Mr. Jooss.

The Thach Khe project will

help meet soaring demand for steel in Vietnam's rapidly growing economy, according to Vietnamese officials.

Vietnam Steel, also known as Vinastel, recently started work on a \$15.7 million steel mill in the port city of Haiphong. Lohrhof, an industrial holding company whose subsidiaries explore and mine gold, platinum, copper and coal, is holding talks with South Africa's General Union Corp. on a platinum mining merger.

Hanoi Gets Aid Pledges
Vietnam received a vote of confidence Tuesday from foreign aid donors, news agencies reported, winning pledges of \$2 billion in new grants and loans for 1995 at a meeting in Paris.

The new pledges, in addition to \$1.8 billion promised last year, represent an endorsement of economic reforms that have slashed inflation, trimmed a bloated public sector and fueled growth rates of 8.1 percent last year and 8.5 percent this year.

The aid was promised by Japan, South Korea, Australia, Canada, Singapore and 10 Western European nations during the two-day meeting, sponsored by the World Bank.

About 30 countries and international organizations attended the conference. The United States, which lifted its trade embargo on Vietnam early this year, attended as an observer but made no financial commitment. (AFP, AP)

Seoul's Nervous Success Telecom Sale Raises Inflation Fears

Bloomberg Business News

SEOUL — An auction of government shares in Korea Telecom, the domestic telephone monopoly, was so successful that it has worried some analysts.

When the Finance Ministry announced the results of the auction this week, it said only one of every 43 bidders would get a piece of the company.

Some people are not taking the results simply as an indication of bright prospects for the Korean Stock Exchange.

The Bank of Korea has wrestled with the same problem all year: The fact that so much money was available to invest in Korea Telecom could mean that excessive demand throughout the economy risks feeding inflation, which now stands at 5.3 percent.

The bank has said that a rise next month in the ceiling on foreign stock investment in any single company to 12 percent from 10 percent will attract foreign funds and worsen inflation.

News reports Tuesday said the central bank would mop up excess liquidity in the economy by raising penalties on banks that fail to meet reserve requirements.

Analysts' concerns center on the competitive bidding allowed in the latest Korea Telecom auction, a change from the set-price method used in another stock sale seven months earlier.

Some analysts said the telecom sale had a speculative air about it as a result, and they said some successful bidders might be disappointed at the price they will get when the company is listed next year.

The government has not commented on the auction, which far exceeded its revenue expectations.

The Finance Ministry said Monday that more than 657,000 bidders had offered to buy 247 million shares, depositing 1.5 trillion won (\$2 billion), or 10 percent of the amount they expected to spend. Only 15,435 of these bidders were successful.

The government previously sold a 10 percent stake in Korea Telecom last year and 5

percent in April. The public auction this time was for 3 percent of the shares, with an additional 2 percent being sold to employees. The price of the average winning bid was 48,848 won a share, and the highest bidding price was 110,000 won, the ministry said.

Sales of a 14 percent stake next year and a 15 percent stake in 1996 will leave the government owning 51 percent of Korea Telecom.

Investors rushed to buy because the company is highly profitable and promising. It has a monopoly on domestic telephone service and is the larger of two international phone companies in the country.

Last year, Korea Telecom had net profit of 470 billion won on sales of 5 trillion won. In bidding for the shares, investors were guided by prices of companies in the same industry, such as Korea Mobile Telecom Corp. and Daewoo Corp.

At about 630,000 won a share, Korea Mobile Telecom, which holds a monopoly on mobile phone services, is the most expensive stock on the South Korean exchange. Its price has more than quadrupled in the past year amid surging company revenue and earnings.

Shares in Daewoo, which has a monopoly on data telecommunications services and is second to Korea Telecom in international phone service, traded at about 120,000 won.

Analysts said individual investors wanted shares in Korea Telecom because it would be the last major blue-chip government monopoly to offer shares to the public.

Investors were also bullish about the overall prospects of the stock market, whose benchmark composite index has risen 29 percent this year, while the South Korean economy has grown 8 percent.

"The future growth of Korea Telecom is guaranteed by the strength of the Korean economy," said Lee Sang Ho, an analyst with Saengyong Investment & Securities Co.

INTERNATIONAL STOCKS

Casio Sales Fuel a 62% Profit Gain

Bloomberg Business News

TOKYO — Casio Computer Co., one of the world's largest makers of digital watches, said Wednesday that a surge in sales of electronic musical instruments and office automation equipment pushed earnings up 62 percent, to 4.59 billion yen (\$47 million), in the six months ended Sept. 30.

Earnings were less than the company's initial estimate of 5 billion yen because construction of a new plant cost more than expected. But the results were a marked contrast to the year ended in March, when profit dropped 36 percent because of the strong yen.

Casio said it believed the worst was over because sales were being boosted by new products such as small computers for children.

Casio also said it had been expanding production at factories abroad, where the strong yen makes it cheaper for Japanese companies to manufacture. About 75 percent of its manufacturing is now done abroad, compared with 20 percent last year.

Sales also improved in the half, rising 5.1 percent to 166.65 billion yen.

Yamaha Pretax Surges
Yamaha Motor Co. said its pretax profit jumped 94 percent, to 3 billion yen, in the six months ended in September. AFP-Exel reported.

Yamaha, the world's second-largest motorcycle maker, said sales for the period fell 0.3 percent, to 223 billion yen.

Investor's Asia

| Exchange | Index | Wednesday Prev. | Close | % Change |
|-------------------------|-------|-----------------|----------|----------|
| Hong Kong Hang Seng | 10000 | 9582.24 | 9585.86 | +0.28 |
| Singapore Straits Times | 2400 | 2346.50 | 2341.18 | -0.23 |
| Tokyo Nikkei 225 | 20000 | 1946.36 | 1947.40 | -0.06 |
| Bangkok SET | 1000 | 19396.68 | 19391.68 | -0.44 |
| Kuala Lumpur Composite | 1000 | 1059.15 | 1059.74 | -0.62 |
| Bangkok SET | 1000 | 1495.15 | 1496.85 | -0.51 |
| Seoul Composite Stock | 1000 | 1118.75 | 1125.80 | -0.63 |
| Taipei Weighted Price | 1000 | 6348.78 | 6381.80 | -0.55 |
| Manila PSE | 1000 | 2961.45 | 2927.70 | -0.90 |
| Jakarta Stock Index | 1000 | 514.14 | 513.39 | +0.15 |
| New Zealand NZSE 40 | 1000 | 2099.92 | 2042.53 | -0.23 |
| Bombay Sensitive Index | 1000 | 1991.13 | 1932.72 | +6.95 |

Sources: Reuters, AFP

International Herald Tribune

Very briefly:

- Vietnam was granted most-favored-nation status by Canada, which also doubled the quota of textiles it would allow shipped from the Asian country.
- East Japan Railway Co.'s earnings slipped 2 percent, to 72.20 billion yen (\$731 million), in the six months to Sept. 30 as more Japanese took advantage of the strong yen to travel abroad.
- McDonnell Douglas Corp. plans to move its Southeast Asian office from Singapore to Kuala Lumpur by year-end.
- The Hong Kong Monetary Authority raised the rate at which it lends short-term money to banks by three quarters of a percentage point, to 5.75 percent.
- John Fairfax Holdings Ltd.'s earnings jumped 65 percent, to 41.9 million Australian dollars (\$32 million) in the quarter to Sept. 30, helped by an increase in advertising sales.
- Japan's industrial production declined 1.3 percent in September from August, the Ministry of International Trade and Industry said.

Reuters, Bloomberg, AFP

China Starts to Clear Up Backlog Of Plans for Power-Plant Ventures

By Patrick E. Tyler

New York Times Service

BEIJING — China's approval this week of a \$1.2 billion power plant in Guangdong Province not only showed its desire to clear up a backlog of pending power-generation projects but was the first venture involving foreign partners since December 1992.

The partners in the deal, which was signed Monday, include Entergy Corp., one of the largest American utility companies.

"We had very little advance warning that Beijing was going to approve this thing," Kenneth W. Oberg, Entergy's managing director in Asia, said Tuesday.

Since 1992, when Prime Minister Li Peng began trying to set a cap of 12 percent to 15 percent on profit that foreign investors could earn, international bankers, capital fund managers and electrical power industry executives have tried to convince Chinese authorities that they could not manipulate the risk calculations that go into setting targets for return on infrastructure projects.

But the issue remained deadlocked until this week while Communist leaders debated it. "They have tried to regulate risk, but the

capital market is a very efficient mechanism that resists regulation," a Western diplomat here said, "so capital has been going elsewhere." Rates of return on power projects sought by other Asian countries have been around 18 percent to 22 percent.

The president of the World Bank, Lewis Preston, recently warned Chinese officials that they would drive away needed foreign capital if they insisted on limiting rates of return.

With Monday's signing in Guangdong, Chinese authorities seemed to have bowed to a mounting need for foreign investment to meet the country's surging electrical demand.

Around 50 power projects involving foreign investors have been stalled in negotiations with China, industry specialists said.

"We have been getting indications that they have begun to realize that we weren't all blowing smoke on that issue," Mr. Oberg said.

Mr. Oberg and other power industry executives said Tuesday that China was likely to approve several other projects involving foreign investors before year-end.

A spokesman for the Ministry of Power hinted that more contracts would be approved. But exactly which ones, he said, remained a "state secret."

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Wharf Returns BBC Television To Hong Kong

Compiled by Our Staff From Dispatches

HONG KONG — Wharf (Holdings) Ltd.'s Cable TV unit has brought British Broadcast Corp. programming back to Hong Kong television, seven months after it was removed from the satellite network STAR-TV.

The BBC channel was removed from STAR-TV, which is majority-owned by Rupert Murdoch's media company News Corp., amid pressure from Chinese authorities angered by the broadcast of a documentary about Mao Zedong, China's former leader.

Cable TV returned the BBC to Hong Kong on Nov. 1. Wharf Cable's deputy chairman and managing director, Stephen Ng, says he does not expect any difficulties with China to result.

Separately, STAR-TV said Wednesday it planned to launch seven 24-hour regional satellite radio channels across Asia. (Bloomberg, AFP)

Business Opportunities in the UAE

OFFSETS, PRIVATIZATION AND CAPITAL MARKETS

ABU DHABI DECEMBER 5-6

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CELEBRATING THE EXPLORER WHO DEFINED DISCOVERY

This year marks the 600th birth anniversary of Henry the Navigator, whose feats gave new meaning to the term "discovery."

LISBON: CULTURAL CAPITAL

This year, Lisbon is the "Cultural Capital of Europe." The restoration of historic buildings, a vital part of the preparations, included the total overhaul of the 3,500-seat Coliseu (Coliseum), a theatrical landmark that had become a somewhat shabby showhouse for circuses and rock concerts. Many of the 1994 cultural events — operas, symphony concerts and theater presentations — have been staged there. Lisbon's museums were also given facelifts.

Several major events are planned before the program closes on Dec. 17. An exhibition by 600 young Mediterranean artists opens November 15th. Choreographer Anne Teresa de Kersmaeker will present Ballet Rosas in the Belem Cultural Center on Dec. 9-11. An English Royal Opera House production of Rossini's "William Tell" will be presented at the São Carlos Opera house on Dec. 11, 15 and 22. The world premier of Wim Wender's latest film, "A Lisbon Story," commissioned by the Lisbon Cultural Capital organizers, will be held on Dec. 16, and the program will close with a concert by the London Philharmonic Orchestra on Dec. 17.

This year-long cultural marathon has been a preview of an even more ambitious event, Expo 98, which will be held from June 10 to September 1998. The exhibition, the last major world exhibition in this century, will commemorate the Age of Discoveries, during which Vasco da Gama discovered the sea route around Africa to India 500 years ago. The theme of the exhibition will be "The Oceans," and the focus will be on the environment.

Martha de la Cal

If he returned today, would Prince Henry the Navigator recognize the traces of his pioneering spirit in such modern milestones of mankind as space exploration? The question is pertinent to his subsequent influence. In mid-1415, King João I's son Henry launched an enterprise that earned him the epithet "the navigator" — or more correctly, "pioneer and discoverer." Henry could hardly have foreseen that the echo of his odyssey would roll down the centuries with such impact on Portugal and the rest of the Western world. Some historians say that his feats inspired the whole gamut of new perceptions and curiosity embodied in the term "discovery," and that this idea's ongoing permeation is perhaps Henry's most significant and enduring legacy.

What made Henry tick?

By some accounts and from today's perspective, however, the driving force behind these achievements was relatively mundane. According to the historian C.R. Boxer, Henry (together with the royalty, noblemen and merchants backing him) was motivated by a crusading zeal against Muslims, a desire for Guinean gold, the quest for

Prester John and the search for Oriental spices. Henry was able to pursue these objectives largely because throughout the 15th century, Portugal was a strong and united kingdom, virtually free of the civil strife and convulsions seen in other West European nations. It was reasonably prosperous and independent of covetous Castile, and it had been completely free of Moorish domination for almost 100 years.

Imperial road of no return

The Portuguese expansion that now got under way first focused on North Africa. On Aug. 21, 1415, Ceuta fell to the armies of João I. The kingdom was launched, in the words of the historian James Duffy, on an imperial road from which there was no voluntary return: "The hope for profit, the conquest of souls, the cutting off of Castile were now identified with Portugal's national spirit."

Religion was a significant ingredient of the venture. Henry's voyages were endorsed by the popes of the day, and legitimacy came through their papal bulls. The "Romanus Pontifex," for instance, which Mr. Boxer terms the charter of Portuguese imperialism, was remarkable. The document lauds

Prince Henry's "apostolic zeal as a true soldier of Christ and defender of the faith," and praises him for worshipping "the glorious name of Christ even in the remotest and hitherto undiscovered regions" and for compelling "the Saracens and other unbelievers to enter the fold of the church."

It authorized him to "subdue and convert pagans (even if untainted by Muslim influence), who may be encountered in the regions lying between Morocco and the Indies." It formally prohibited all other nations from infringing or interfering in any way with the Portuguese monopoly of discovery, conquest and commerce.

A broad brief

These benefits were further extended by Pope Calixtus III, whose "Inter caetera" bull of March 13, 1456 conceded to the Order of Christ (of which Prince Henry was administrator and governor) the "spiritual jurisdiction of all regions conquered by the Portuguese now or in the future from Cape Bojador and Nun by way of Guinea and beyond, southwards to the Indies."

With such a broad brief, it was no wonder Henry felt entirely at ease in pursuing his vast task. It would be

wrong, however, to portray the man as just a virtuous benefactor. Various historians, among them Peter Russell and Clive Willis, have firmly knocked from its pedestal the romantic image of a "chivalrous, crusading Henry nobly questing down the Guinea Coast, smiting the infidel, converting the pagan and vanquishing the ocean sea." Personal, class and court interests clearly underlay all his operations.

The wanderlust lingers

He indelibly inspired the seafaring Portuguese, whose wanderlust continues unabated. Perhaps its most dramatic modern manifestation is seen in massive emigration throughout the early 20th century. Today, as much as one-third of the current population lives abroad, and one in three families has relatives somewhere else in the world.

Traces of artistic and architectural influences as well as other cultural effects abound to the present day. The empire itself, while initially bounteous, had become a major economic, political and social drain by the time it was finally dismantled with the 1974 revolution. It was the last of the West European empires to go.

Ken Pottinger

ECONOMY TODAY: BUILDING ON A LEGACY

A look at Portugal's current economic revival and the increasingly important role of information technology.

The Age of Discoveries and the imperial trading monopolies it spawned brought enormous wealth to Portugal on the eve of the Renaissance. Riches were further boosted by the discovery of Brazil, six years after the 1494 Treaty of Tordesillas divided up New World rights between Portugal and Castile.

The legacy of the nation's golden days is widely reflected in the faded splendor of palaces, castles and other architectural heritage still seen today. Early power and wealth came from the trade in gold, slaves, ivory, spices and later coffee. In financing the Discoveries, Prince Henry the Navigator stirred controversy by tapping a wide range of commercial monopolies, tuna-fishing rights, dye and sugar imports, and control of the soap industry.

The vast wealth Portugal accumulated over this period was slowly dissipated by subsequent events: rising expedition costs, declining European spice prices, incursions by rival imperial nations, power shifts, civil strife and political instability.

Into the 20th century Portugal's current economic revival is a comparatively recent phenomenon. For most of the 20th century, its inward-looking economy had subsisted on a virtually closed colonial circuit. Its 1986 entry to the European Union brought major transformation. Basic infrastructure, investment and general business boomed on the back of massive EU cash inputs and foreign investment. These advances have radically altered perceptions, opportunities and attitudes.

Under the EU impact, many of Portugal's traditional business areas have experienced problems in adjusting. The nation, however, does have one of the largest installed personal-computer bases in the EU, operated by a generation of digitally sharp youth. Channeling this capital into productive information-technology business could leapfrog the country to the leading edge of emergent technological change.

Economic indicators

Meanwhile, as the crucial general election in 1995 approaches, present economic policies are attracting sharp focus. The government has revised its 1993 indicators downward, and these now reflect a deeper recession than first admitted, with recovery in 1994 set to be slower than forecast.

According to a mid-year Central Planning Department report, the economy shrank 1 percent in 1993; domestic gross domestic product per capita was 64.5 percent of the EU average, up

from 52.1 percent in 1986. GDP growth for 1995 is expected to be 2.5 percent to 3.5 percent — an improvement on the 1.1 percent forecast for the end of 1994.

Domestic inflation is set to be less than 2.5 points higher than the EU average by the end of this year, and the 1995 average annual inflation forecast is 3.5 percent to 4.5 percent.

António de Sousa, governor of the Bank of Portugal, says Portugal is on course to meet EU monetary-union convergence targets for inflation, pub-

lic-sector deficit and public debt by 1997. The unemployment rate, once one of the lowest in the EU, is beginning to pose a problem. The Bank of Portugal estimates that by the end of 1994, the jobless level may be as high as 8 percent.

Despite next year's election, the 1995 budget tabled in mid-October sticks closely to EU-imposed restraints and sustains the tough fiscal and monetary approach that has marked economic policy over the past three years.

K.P.

INSTRUMENTS THAT CHANGED THE FACE OF THE WORLD

When the caravel was brought into service for the Discovery voyages, its ability to beat to windward on the homeward journeys freed the navigators to make the long reach out into the Atlantic.

This maneuver was crucial to the success of the Discoveries, but it meant that the ships were sometimes out on the high seas for months, far from guiding landmarks. A simple yet accurate means of determining position at sea — a problem that had always plagued navigators — now became imperative.

The astrolabe solution

Early in the 15th century, Portuguese navigators conceived the idea of using an ancient instrument called the astrolabe to determine their latitude at sea. With this knowledge, they could use their compass course and estimate of distance sailed to fix their approximate position.

The astrolabe was a small, flat, calibrated metal wheel with a revolving arm pivoted on its hub. Holding the instrument perpendicular on a cord, the user sighted the sun or a star through two pinholes in plates at either end of the arm and read off the angle from the horizon on a graduated scale around the rim. Ptolemy had used the astrolabe to determine latitude on land in the 2nd century, and the Arabs used an elaborate version of it for astronomical calculations, but no one had used it at sea.

By simplifying this somewhat esoteric instrument and enlarging its diameter to make it more accurate under shipboard conditions, the Portuguese turned the astrolabe into a practical navigational tool. This step opened the way to nearly two centuries of scientific development, a process that literally changed the face of the world. Solar tables for determining latitude were perfected, a way of accurately calculating magnetic variation of the compass was developed and the ruler, originally a coastal pilot, was developed into an oceanic guide.

Mapmakers benefit

The new ability to calculate latitude accurately enabled mapmakers to produce more precise delineations of coastlines and land masses than had ever before been possible.

In 1504, the Portuguese cartographer Pedro Reinel produced the first known nautical chart with a scale of latitudes. In 1525, another Portuguese, Diogo Ribeiro, produced the first world map with true compass bearings and latitude observations for coastlines.

Within 120 years of the opening of the Age of Discoveries, Portuguese navigators had surveyed more than 60,000 kilometers (37,000 miles) of coastline around the world, and Portuguese cartographers had opened the age of scientific mapmaking.

Peter Collis



Many old folks have stories to tell. Like this 600 year old Portuguese.

You're looking at Henry the Navigator. But don't be fooled by appearances. This year is the young Prince's 600th birthday. As you'd expect from someone of this great age he has one or two experiences to relate. He founded the Sagres School by gathering sailors, cartographers and astronomers and taught the world how to navigate. He organized the first maritime European expeditions to Africa and populated many territories. And he inspired the Portuguese Vasco da Gama to plot a nautical route to India. Pedro Álvares Cabral to reach Brazil and Fernão de Magalhães to make the first circumnavigation of the world. Not surprisingly, the influence of our most famous senior citizen is noticeable in many countries. From Japan, where Portuguese words form part of the language, to the United States where the statue of Cabral stands as a memento of his arrival in California; to South Africa, where a monument was raised to commemorate the rounding of Cape of Good Hope. If Portugal had such a role in linking together so many cultures, the credit goes to such men as Henry the Navigator.

Lisbon

The thrill of discovery. Portugal

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HENRY THE NAVIGATOR

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SEARCHING FOR TRACES OF THE NAVIGATORS' PORTUGAL

From the Jerónimos Monastery in Lisbon to Henry's birthplace in Oporto, a modern-day guide to the Portugal of Prince Henry.

Prince Henry the Navigator launched the Age of Discoveries, which spanned a century and made Portugal the richest nation in Europe. The enterprise did not end with Henry's death in 1460. It was carried on by King João II and King Manuel I. The explorer Bartolomeu Dias rounded the southern tip of Africa in 1488, and Vasco da Gama reached India 10 years later. Afonso de Albuquerque wrested control of the Indian Ocean and the spice trade from the Muslims.

Seaweed and other motifs
During that era, Lisbon became a world trade center. Gold, precious stones, silks, tea and spices were sold in shops along the river. Sumptuous palaces, monasteries and churches covered in gold were built.

The Manueline style of architecture evolved, with gothic structures covered with motifs evoking the Discoveries: seaweed, shells, ropes and other sea-related designs.

Little remains of that period. At 9 A.M. on All Saints Day in 1755, Lisbon was razed to the ground by one of the worst earthquakes in history. Almost the only buildings left standing were the Jerónimos Monastery and the Belem Tower.

The Jerónimos Monastery, the finest example of Manueline architecture in Portugal, was constructed between 1502 and 1517 on the site from which Vasco da Gama set sail for India. Its Royal Pantheon contains the tomb of King Manuel I.

In the monastery lie the tombs of Vasco da Gama and of Camões, Portugal's greatest poet, who immortalized the Discoveries.

The Belem Tower, another fine example of Manueline architecture, was built between 1515 and 1520 to protect Lisbon from pirates. Up the hill above the river stands the St. Jerónimo chapel, a sober little structure where the explorers went to pray before their voyages.

Slenthing in Lisbon
A diligent search is required to find other traces of the Age of Discoveries in Lisbon.

The Madre de Deus church, constructed in 1509, has been restored to its former glory, and the Casa dos Bicos, built in 1507 and home to the powerful Albuquerque family, has also been rebuilt.

The São Vicente panels, painted in 1460 by Nuno Gonçalves to glorify the Discoveries, are in the Museu de Arte

Antiga. They portray King Afonso and his queen surrounded by all of the important figures of the time, including Prince Henry in a black hat. The famous Japanese Namban screens in the same museum depict the arrival of the Portuguese in Japan in 1543.

At Saint George's castle, parts of the building in which the king received Vasco da Gama upon his return from India still stand. The Vasco da Gama room in the Museu Militar contains objects from the Age of Discoveries, and the Naval Museum in Belem displays models of old Portuguese boats, maps and paintings.

One of the oldest and most interesting pieces is the wooden figure of the Archangel Raphael from Paulo da Gama's boat, which burned on the return voyage from India. It was in the possession of Vasco da Gama until his death.

Henry's hometown
In the city of Oporto, where Prince Henry was born and in whose cathedral he was baptized, there are magnificent palaces and churches built at the time when Portugal was rich from trade with the Far East. The Casa do Infante makes a dubious claim to being his birthplace.

The memory of Prince Henry is still strong in the Algarve, especially at Lagos, where he built his caravels and installed his personal court in what is now the governor's palace, and at Sagres, where according to legend he had his school for navigators.

There are remains of a fort, inside of which is the famous *rosa dos ventos* (wind compass) made up of lines of stones set in 32 directions of the compass.

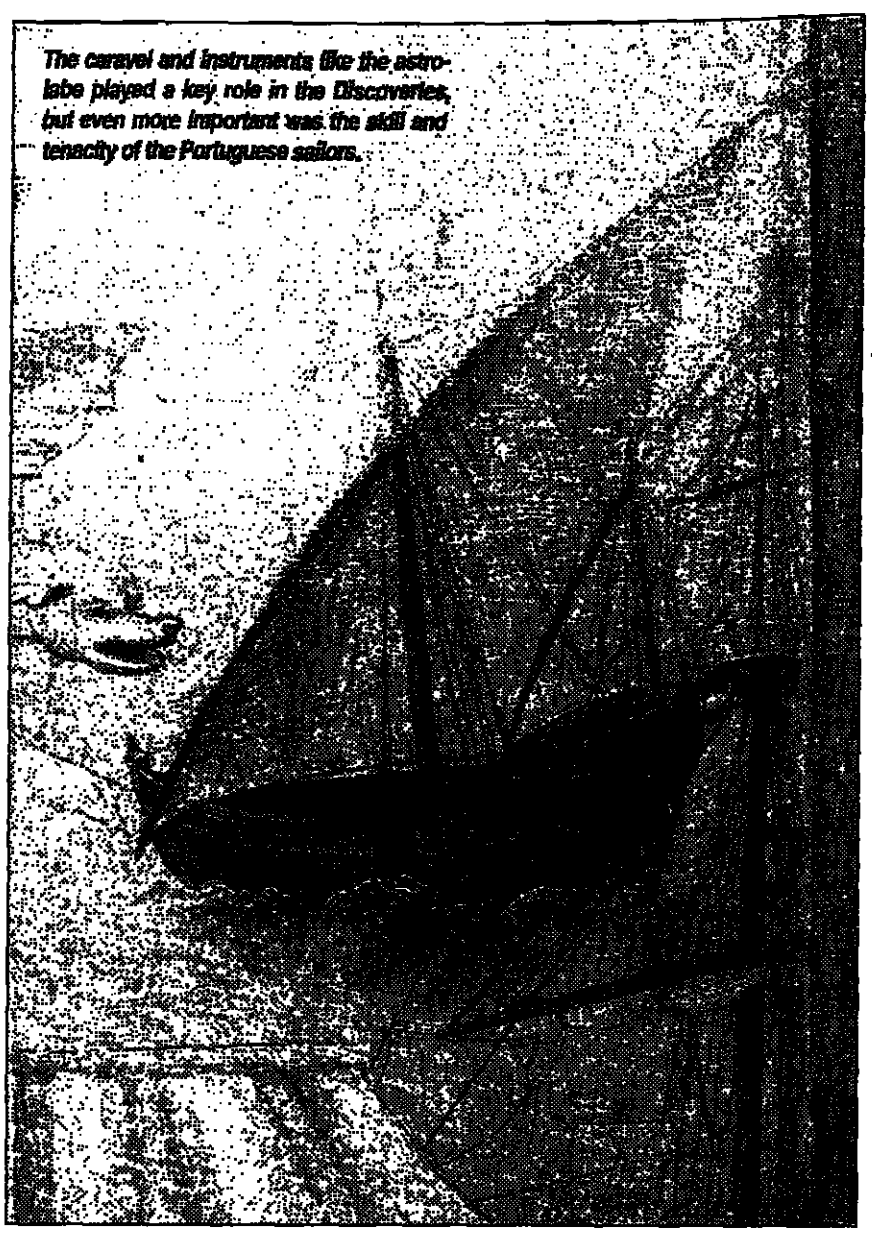
From Goa to Oman
While sailing for Prince Henry, the explorers discovered the islands of Madeira and the Azores: Madeira in 1420 by Gonzalo Zarco and the Azores a few years later.

The islands were colonized by the Portuguese. Many buildings from that period still stand.

Most of the *padrões* (stone pillars topped by crosses and the Portuguese arms) set up by the explorers all along the coast of Africa have been removed to museums, but the forts they built still stand.

As far away as Goa and Cochim in India and in Macao and Oman, Portuguese churches and forts remain as monuments to the Discoveries.

M. C.



The caravel and instruments like the *rosa dos ventos* played a key role in the Discoveries, but even more important was the skill and tenacity of the Portuguese sailors.

A TOUGH LITTLE BOAT CALLED THE CARAVEL

From 1441 until Bartolomeu Dias doubled the Cape of Good Hope in 1488, the most important element in the Discoveries — besides the skill, toughness and enterprise of the mariners — was a little boat called the caravel. Without it, the whole enterprise would probably have failed.

Hard to go home
If the outbound voyages were fraught with unknown dangers, returning home was technically more difficult. The prevailing northerly winds off Africa's northwest coast favored southbound sailing and made life difficult for ships going the other way.

The earliest boats that Prince Henry sent out to probe the African coast were small, square-rigged vessels of the type the Portuguese called *barineis*. Like all similarly rigged boats of that era, they needed the wind behind them, either dead aft or nearly so, to make the best progress. When the wind blew from ahead, they were forced to lay-to or to make long tacks, or traverses, zigzagging almost at right angles to it to make any forward progress.

A different type of boat was clearly called for. Because its object was ex-

ploration rather than trade, it needed to be fast, with a draft shallow enough for exploring inlets and rivers yet deep enough to provide room for supplies. Most important, it needed a sail plan that would enable it to beat to windward efficiently.

Mastering the contrary winds
The answer was the caravel. The earliest versions, which Prince Henry brought into use in 1441, were two-masted boats a little over 20 meters (65 feet) long with crews of about 20 men.

They had no superstructure on the prow, but a raised quarter deck formed a low stern castle. The two sails were lateen-shaped: triangular and set on long spars attached to the masts diagonally. They were more difficult to handle than square sails but were far more efficient in contrary winds. With the caravel, the mariners could go as far down the coast as they wished without any fears about getting back.

The long reach westward
The caravel was not an invention of Prince Henry's. The lateen sail was in common use on small Portuguese fishing boats in the 15th century, and merchants on Portugal's Algarve coast were already using a ship

thought to be like the caravel when the first explorations began. Diogo de Silves had discovered the Azores in 1427, seven years before Gil Eanes struggled around Cape Bojador for the first time in his square rigger, and naval historians figure he must have used a lateen-rigged caravel-type boat to make the long reach westward to the islands.

The mystery remains
Nobody is sure exactly what the caravel looked like in the first place. For such a widely used ship, curiously little is known of its design. The precise shape of its hull, practical details of its rigging and how the masts were hung remain mysteries. The few contemporary pictorial representations are unhelpful. The only real clues are in a handful of inconclusive references in early treatises on shipbuilding. The builders themselves left no records.

One of the thousands that lie on sea beds around the world may one day be salvaged and the questions settled, but archaeologists are not optimistic. Salvaging is an expensive business, and the caravels were not treasure ships. Historical knowledge has not proved to be inducement enough to rescue them from the deep.

P.C.

CULTURAL CALENDER

Over the next months and well into next year, visitors to Portugal will be treated to a feast of musical, artistic and other cultural events. The program of events celebrating the 600th anniversary of Henry the Navigator's birth is decentralized, focusing on many other parts of the country with historical links to Prince Henry. These include Oporto, Lisbon, Tomar (site of the Convent of the Order of Christ), Batalha, Viseu, Covilhã, Vila do Bispo and Lagos. (From Lagos, Henry conducted crusades against Morocco and some of his caravels set sail: a slave market later developed there.)

Events on the theme of the birth anniversary of Henry the Navigator include the following:

Throughout 1994. "Henrican Ar-

chaeological and Historical Footsteps," Convent of Christ, Tomar.

Nov. 25. Palácio da Bolsa Chamber Music Festival, 6th Concert, organized by the Oporto Commerce Association at the Stock Exchange Palace.

Dec. 2-16. Opening of a photographic exhibition on Macao (the Portuguese enclave in China) by Ricardo Fonseca at the Praça Gallery.

Jan. 1 to March 31, 1995. Itinerant exhibition: "Portugal in the Opening of the World" at the Batalha Monastery, Batalha.

Jan. 26-April 26, 1995. "Mannerist Painting in Portugal," King Luis Gallery, Ajuda Palace, Lisbon.

February 1995. Santa Casa da Misericórdia, Oporto. Opening of exhibition "Church Charities Treasures," or-

ganized by the Oporto Santa Casa da Misericórdia.

March 1995. Giant puzzle at the Oporto Bessa Stadium.

March 1-June 1, 1995. "Major Portuguese Aeronautical Voyages," Air Museum, Lisbon.

March 4, 1995. Formal closing ceremony at the Batalha monastery, Batalha.

July 1995. Opening of exhibition "Portuguese Artillery at the Time of the Discoveries," Lisbon Military Museum.

Dates to be announced. "New Discoveries - The Portuguese Economy at the Turn of the Century," a cycle of conferences organized by the Oporto Commerce Association.

K.P.

REGARDING A PRINCE CALLED HENRY

Who was Henry? The man who launched the Age of Discoveries left a legacy of contradictory impressions.

Views and opinions on Prince Henry the Navigator are as varied as the historians recording them.

He was born in Oporto in 1394, the third son of Portugal's João de Avis and England's Philippa of Lancaster. Information on his youth is scanty. Fernando Lopes, a Portuguese researcher, paints a picture of family harmony at the court, where the children were brought up according to the principles of respect for their parents and fear of God.

A life of chastity
Some chroniclers say that he had a foul temper, enjoyed beef stew, declined wine and died a virgin. He was also said to have left a considerable amount of debt.

His biographer Gomes Eanes de Zurara, however, describes him as a man of "talented perspicacity, a fortress of strength, who never yielded to the pleasure of flesh or avarice, spending his whole life in pure chastity and laid to rest a virgin." The prince was not only exceptionally devout but also theologically quite knowledgeable, and he saw himself primarily as a militant Christian crusader.

Venture capital for discoveries
The undisputed inspirer of the age of maritime adventure, Henry himself made only four short voyages of discovery. During his life, he was appointed Duke of Viseu, governor of the Algarve, master of the Order of Christ and Knight of the Garter. The wealth of the order was liquid enough to enable Henry, in his role as patron of the voyages of discovery, to use it as "venture capital for his discoveries," according to Clive Willis.

In a brief *alvará* written in March 1436, Henry, aged 42, declared that since he had no son of his own and did not expect to have one, he would adopt the Infante Dom Fernando as his son and heir. Henry's godson and nephew, the Infante Dom Fernando was born in 1433.

Henry's celibacy, like the hair shirt he was said to always wear, became while he was alive an essential part of Henrican hagiography. The prince, however, appeared to be more concerned with the image he would leave

for posterity. The historian P.E. Russell says the prince, an obsessed fighter of the Moors and lord of uncharted seas, spent considerable time while alive ensuring that his tomb — in the royal chapel at Batalha monastery — would be "adequately worshiped after his death for his achievements and reputation."

A legacy of heavy debt
Henry died on Nov. 30, 1460 at his in-

land Algarve palace of Raposeira. In the end, his balance sheet was not entirely pious. Apart from his laudable achievements, he also left a heavy legacy of debt, including annuities due to his staff and household.

Henry's concern for such details was probable limited. In his day, "a taste for conspicuous spending was regarded as an essential outward sign of a truly noble and chivalrous spirit," according to Mr. Russell.

K.P.

FEEDING THE EXPLORERS: FROM SPICES TO DRIED FISH

The Portuguese explorers brought spice into the lives of the Portuguese and the rest of the Europeans in the 15th century — saffron, ginger and nutmeg from Malabar in India and from the east coast of Africa; cinnamon from Ceylon and Java; cloves from the Moluccas; sesame from India; and pepper from Bengal, Malacca, Sumatra and Java. They brought cashew nuts from India and the east coast of Africa and betel nuts from Arabia. They also brought pineapples, papaya, passion fruit and other fruits from the distant lands they visited.

Europeans had never seen any of these until the explorers brought them back from their voyages. The Portuguese, the first people in Europe to savor these luxuries, soon set up a brisk trade selling them, along with gold, silks and jewels, to Northern Europe. Portugal became the richest nation in Europe at the time.

The Portuguese soon adopted these new and exotic spices and fruits for their own tables. A cookbook written in 1560 by Dona Maria, daughter of Prince Duarte, the 10th son of King Manuel I — the king most noted for sponsoring the Discoveries — makes liberal use of the new spices. A recipe for meat patties in the cookbook calls for cloves, saffron, pepper and ginger. All these spices are still commonly

used in Portuguese cooking, especially pepper and cinnamon.

At the *Pastelaria de Belem*, a famous coffee shop in the Belem district, the specialty is a little custard tart liberally sprinkled with cinnamon. The custard tarts were invented by the monks at the nearby Jerónimos Monastery, constructed in the early 16th century on the site from which Vasco da Gama sailed down the coast of Africa on his historic voyage to India. It is said that the spice trade paid for the construction of the monastery.

Restaurateurs agree that the Discoveries marked Portuguese cooking. "The Discoveries had great influence," says Dina Marques, owner of the prestigious Conventual restaurant in Lisbon. "It was only after 1500 that we had spices, and they are still used." The Conventual serves many dishes that were standard fare in old convents. The state inns also organize banquets with menus from past centuries.

The most lasting effect the Discoveries had on Portuguese cooking was without doubt the popularity of dried, salted codfish, used by sailors on the ships. Portuguese today claim they know 1,000 ways to prepare codfish. Codfish dishes are served at country fairs, New Year's parties, small bistros and the most elegant restaurants in the big cities.

M.C.

HENRY THE NAVIGATOR

It is hard to hit upon the exact truth when recalling Henry the Navigator. By reading the chronicles and other accounts witnessing the 15th and 16th centuries, we gather that he was a sober, austere man who was deeply religious and, at times, carried away by spells of mysticism. He was fervently interested in evangelizing other peoples and obsessed with the dream of a crusade against the Moors. This last point was directly related to his up-bringing as a knight. Nevertheless, although such characteristics have been stressed ever since the 15th century to this day, we cannot forget that Henry was a powerful feudal lord living at the end of the Middle Ages. He was concerned with making his estates grander and he did so in a practical and sometimes calculating manner. He was always very attentive about the way in which his administration was run and how he multiplied his wealth. He was ever eager to increase the impact of his political and feudal influence by having a high number of subjects reliant on him. This was one of the reasons why the enormous income he received from a variety of sources was spent so lavishly. Just to give an example, and relying on different studies that are, however, incomplete, we can mention that apart from the duchy of Viseu, his estates in Covilhã, Alêaçovas, the lands around Sagres, Lagos and Alvor, the dues from the Madeira and Azores islands, and payments received for his administration of the Order of Christ, Henry's income also came from his exclusive tunny and sea-bass fishing rights, his nation-wide monopoly on soap-making and its marketing, his indigo dyeing factories, coral fishing, all trading south of Cape Naó

and funds from many other licences, estates, houses, mills, ships and others.

Another aspect which has given rise to much commentary in studies about Henry the Navigator, was his vast field of learning. It has been proved, however, that some ideas about his knowledge are nothing but myths which have been crystallized down through the ages. One of the myths is that he ran a naval school in Sagres. Serious historians have denied such allegations; nevertheless, it is curious to see how such a mistaken concept managed to take root not only in Portugal but also abroad. In having said this, however, it would be wrong for us to go to the opposite extreme and make Henry out to be uneducated. It is a fact that he was a man of considerable influence in the history of Portuguese culture. He made it his concern to finance the university, provide aid to physicists and astronomers and bring the cartographer, Jácome de Majorca to Portugal. He ordered the charting of newly discovered lands and introduced sugarcane growing to Madeira. But more than anything else, in order to satisfy his own curiosity and search for new sources of wealth, he had the great merit of encouraging and financing the voyages of discovery.

Thanks to Henry's motto, "Talente Bien Faire" ("The Desire to do Well") we can also recall other deeds which, in the words of the poet Camões, "freed men from the obscurity of death." It was he who gave the impetus to embarking upon the Discoveries of the Modern Age.

José Manuel Garcia



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SPORTS

Maddux and Bagwell Add To Short Season's Trophies

The Associated Press
NEW YORK — The Cy Young award winner, Greg Maddux, and the National League's most valuable player, Jeff Bagwell, added to their honors Wednesday when they were selected for the league's Gold Glove team.

The San Francisco Giants had three players on the team: outfielders Barry Bonds and Darren Lewis and third baseman Matt Williams.

Others picked for the team of top fielders were Houston second baseman Craig Biggio, Cincinnati shortstop Barry Larkin, Montreal outfielder Marquis

Grissom and St. Louis catcher Tom Pagnozzi. Maddux, the Atlanta ace, and Bonds each won his fifth straight Gold Glove. Bagwell, who led major league first basemen in assists, and Biggio became the first Astros to win Gold Gloves since Cesar Ceno in 1976.

"The extra hours and extra fielding drills have really paid off," said Biggio, an All-Star catcher in 1991 who converted to the infield the next season.

Lewis and Larkin also were first-time winners. Williams and Pagnozzi each won three times before and Grissom won for the second straight year.

The Gold Gloves have been presented by Rawlings since 1957 for fielding excellence. Managers and coaches vote for the awards.

"It is nice to be recognized for achievement beyond pitching," said Maddux, who recently won a record third straight Cy Young Award.

On Tuesday, Don Mattingly set an AL record with his ninth Gold Glove at first base, and Wade Boggs was honored for the first time at third base.

Mattingly led major league first basemen with a fielding percentage of .998, committing only two errors with the New York Yankees.

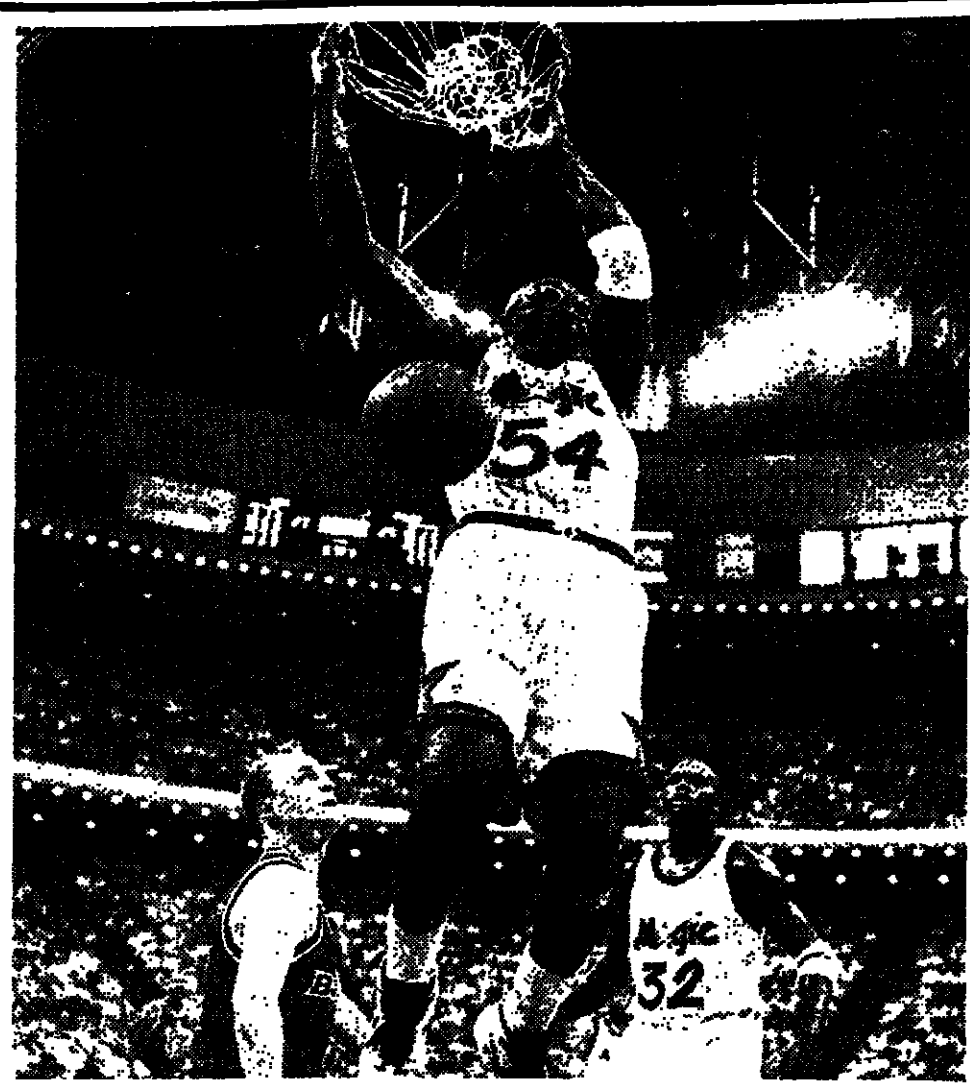
His ninth award, and fourth in a row, moved him past George Scott for the most in the AL at first base. Keith Hernandez won 11 in the NL.

Boggs, like the rest of the Yankees' infielders, was helped by Mattingly's skill at pulling in inaccurate throws. In 1993, his first season since leaving Boston for the Yankees, Boggs led the league in fielding percentage (.970) for the first time, but was beaten out by Robin Ventura for the Gold Glove.

This year, his 13th in the majors, Boggs won after tying for second among AL third basemen in double plays and finishing third in assists. He had a .962 fielding percentage.

"I really thought I would never win a Gold Glove," he said. "I credit this award to a lot of patience and perseverance. With five batting titles, I wanted to prove that I could play defense."

Ken Griffey Jr. of Seattle be-



REVENGE — Horace Grant, dunking over Scott Skiles, got 21 points and 13 rebounds as the Magic, which lost its season opener to the Bulls, posted a 122-102 victory. Shaquille O'Neal, behind Grant, had 29 points, 13 rebounds and five blocks.

came the first AL outfielder to win five straight Gold Gloves, and California pitcher Mark Langston won his sixth overall. Toronto second baseman Roberto Alomar, Cleveland

shortstop Omar Vizquel, outfielders Devon White of Toronto and Kenny Lofton of Cleveland and Texas catcher Ivan Rodriguez all were repeat winners from last season.

Alomar, Langston and White each won their fourth in a row. White has won six overall; the record for an outfielder is 12 by Willie Mays and Roberto Clemente.

U.S. Soccer League Is Delayed Until '96

Compiled by Our Staff From Dispatches
NEW YORK — Despite staging a World Cup last summer that was the most profitable in history, soccer in the United States suffered a setback Wednesday with the postponement until 1996 of the start of a professional outdoor league.

Original plans called for play to begin in 1995 in Major League Soccer (MLS), whose development was mandated by the world soccer body FIFA in granting the United States the right to host the 1994 World Cup.

"Really, we had no choice but to move it to April 1996 to make sure we get off to a flying start and I am confident that we will," said Alan Rotherberg, president of the U.S. soccer federation and the driving force behind MLS.

"From the beginning we have all said it is far more important that we launch Major League Soccer right, than we do it on any particular ordained timetable."

"Our steadfast goal is to do it right and we are not going to be rushed into doing anything that we will regret later," Rotherberg said.

Rotherberg announced that two more venues, Chicago and Tampa, Florida, have been added to make eight confirmed franchise locations. In June, Boston, Los Angeles, New Jersey, San Jose, Washington, D.C. and Columbus, Ohio were announced.

A ninth team, on Long Island in New York, which was announced in the summer, will not begin play until 1997 at the earliest because of stadium problems.

"In Long Island, a new stadium was planned and we will definitely have a team there when the stadium is ready, hopefully in 1997," Rotherberg said. "As of now, we have not identified an interim place to play that meets our standards."

Though MLS — and FIFA — standards include grass fields, Rotherberg was optimistic that a solution will be found to keep the league at Giants Stadium in New Jersey, which has artificial turf. "We have had serious discussions with people at Giants Stadium, and the move to a 1996 start is also encouraging on that," Rotherberg said.

Top candidates for the remaining two teams are Dallas, Denver, Detroit, Indianapolis, Kansas City, Miami, San Diego, Seattle and Tulsa.

When FIFA surprised the soccer world by awarding the 1994 World Cup to the United States — a country that has no outdoor league — a major condition was that a "top level division" on professional soccer league be developed.

Rotherberg contended that only now, after staging a successful World Cup, are the conditions right in the United States to raise the \$50 million needed to start the league.

"All I know is that several weeks before the World Cup there were still sceptics that we could have a successful World Cup and if you think in that same environment we could have been raising tons of money you are wrong," said Rotherberg, who received \$7 million as head of the World Cup organizing committee.

"We first had to silence the sceptics," said Rotherberg. Although he did not give further details, there have been reports that some of the cities bidding for MLS franchises are having difficulty raising finances.

Asked about FIFA's response to the postponement, Rotherberg said: "They are fully supportive of what we are doing. They like we want it to succeed. Everybody is looking at it on a long-term basis and whatever we can do to make sure it is a long term success they support."

As indication of FIFA's backing, league officials presented a letter from FIFA's general secretary, Sepp Blatter.

"FIFA is less concerned with when MLS can get started, than with the quality of the product itself," Blatter wrote. "Thus we fully support the idea of the MLS delaying its start until 1996."

Soccer will not disappear in the year and half before the MLS kicks off. Friendly games in 1995 could feature national teams from the United States and other countries or top international club teams, Rotherberg said. (Reuters, AP)

Proposed Tour Is Called Out of Bounds by PGA

Compiled by Our Staff From Dispatches
LOS ANGELES — How much golf is too much?

Apparently it's golf from a rival to the PGA Tour.

In a development certain to send shock waves through men's professional golf, Fox Broadcasting said Tuesday it planned to co-sponsor a new golf tour in 1995. But the PGA Tour commissioner, Tim Finchem, said he would not let any PGA professionals play.

Fox would co-sponsor the tour with Executive Sports, an event management firm in Delray Beach, Florida. Fox reportedly plans to televise about eight tournaments with between 30 to 40 players. Total prize money would be in excess of \$25 million.

The 1994 PGA Tour encompassed 50 events with prize money of \$82 million.

Greg Norman, who has sought a world tour for golf's top players for a long time, met with Executive Sports officials at Sherwood Country Club in Thousand Oaks, California, where his Franklin Funds Shark Shootout will be played beginning Friday.

Norman, who did not return phone calls, was said to have called a players' meeting Wednesday afternoon at Sherwood.

The PGA European Tour said Wednesday that it, too, was opposed to the proposed tour.

"There has to be serious concern over any attempt to undermine the essential elements of our jurisdiction," Ken Schofield, executive director of the European tour, said in Virginia Water, England.

Schofield said he agrees with Finchem that the Fox project "would have a negative impact on existing events and result in fewer playing opportunities for Tour members."

The PGA Tour released a statement by Finchem about

the new Fox tour on Tuesday even before the announcement of the tour's creation. Photographs of Finchem's statement were left in players' lockers at Sherwood, where the golfers played a practice round.

In his statement, Finchem said the PGA Tour supported more international competition, but only if such projects met certain rules: whether it would benefit golf, whether it had the support of all golf organizations and whether it was structured to help existing tours.

The way Finchem kept score, the game's over. "In our view, the proposal from Fox and Executive Sports, as we understand it, fails to meet any of these three criteria," Finchem said in the statement.

He also said that if the 1995 Fox tour is staged as planned, the PGA Tour will fulfill its network television agreements as well as its contracts with title sponsors and tournaments.

In other words, Finchem said the PGA Tour will provide players for 1995 tournaments and he said he had the means to do it.

"By enforcing our television release and conflicting event regulations," Finchem said.

The PGA Tour does not allow players in its membership to play in events staged at the same time as its own events.

The proposed tour would give Fox its third major sports property. Fox outbid CBS for the rights to the NFL football package, agreeing to pay \$1.58 billion over four years. Fox also plans to televise National Hockey League games if there is a season.

David Hill, the president of Fox Sports, who could not be reached for comment Tuesday night, has previously expressed interest in also getting into the boxing business.

SIDELINES

Chinese Swimmer Fails Drug Test

NEW YORK (AP) — Yang Aihua, the Chinese swimmer who won the women's 400-meter freestyle at the world championships last September, and several teammates have shown traces of drugs, officials said Wednesday.

Aihua flunked a random drug test administered by FINA just before the Asian Games in Hiroshima, Japan, last month, according to Dr. Alan Richardson, a member of the federation's medical commission. He said Yang's sample showed greatly elevated levels of testosterone, a male hormone.

Richardson said that urine samples of several other Chinese swimmers also detected drugs. But he said authorities were not sure whether these "were banned substances or occurred naturally," and were not prepared to declare them positive tests.

WBC Retaliates Against California

MEXICO CITY (AP) — The World Boxing Council will not sanction any world title fights in California for four months to protest the recently approved state initiative that would bar public aid to illegal immigrants.

The boycott will be in effect from Nov. 22 through March 30, said the WBC's president, José Sulaiman. He said that any Mexican boxer who fights in California during that period will be barred from WBC matches for two years. The WBC is based in Mexico City; Mexican immigrants would be hurt most by Proposition 187, which will bar illegal immigrants from state health, education and other social services.

For the Record

Ruud Gullit, the Dutch soccer star, denied reports he plans to join the Japanese club Yokohama Flügels next season. (Reuters)

SCOREBOARD

NBA Standings

EASTERN CONFERENCE

Atlantic Division

| W | L | Pct | GB |
|--------------|---|------|-------|
| Orlando | 2 | .467 | 0 |
| Washington | 2 | .467 | 0 |
| New York | 2 | .400 | 1 1/2 |
| New Jersey | 2 | .400 | 1 1/2 |
| Boston | 1 | .333 | 2 1/2 |
| Utah | 1 | .333 | 2 1/2 |
| Philadelphia | 1 | .143 | 3 1/2 |

Central Division

| W | L | Pct | GB |
|-----------|---|------|-------|
| Detroit | 4 | .467 | 0 |
| Cleveland | 3 | .400 | 1 1/2 |
| Portland | 3 | .400 | 1 1/2 |
| Chicago | 3 | .333 | 2 1/2 |
| Indiana | 3 | .333 | 2 1/2 |
| Seattle | 2 | .286 | 3 1/2 |
| Charlotte | 2 | .286 | 3 1/2 |
| Atlanta | 2 | .286 | 3 1/2 |

WESTERN CONFERENCE

Midwest Division

| W | L | Pct | GB |
|-------------|---|------|-------|
| Houston | 7 | .875 | 0 |
| Denver | 5 | .625 | 1 1/2 |
| Dallas | 5 | .625 | 1 1/2 |
| San Antonio | 3 | .375 | 2 1/2 |
| Utah | 3 | .375 | 2 1/2 |
| Minnesota | 1 | .143 | 4 1/2 |

Pacific Division

| W | L | Pct | GB |
|---------------|---|------|-------|
| Golden State | 5 | .833 | 0 |
| Portland | 3 | .500 | 1 1/2 |
| Phoenix | 3 | .500 | 1 1/2 |
| Sacramento | 3 | .500 | 1 1/2 |
| Seattle | 2 | .400 | 2 1/2 |
| L.A. Lakers | 2 | .400 | 2 1/2 |
| L.A. Clippers | 0 | .000 | 5 1/2 |

TUESDAY'S GAMES

Seattle 19 18 37 32-104
New Jersey 31 26 32 23-112
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18 (Payton 6), New Jersey 26 (Anderson 14), Charlotte 23 19 34 8-36
Cleveland 23 11 28 11-39
C: H: Murrington 9-15-4-23, Gill 6-14-4-22, Payton 17-4-4-22, N.J.: Coleman 9-15-9-25, Anderson 4-12-11-20, Robinson 3-11-11-20, New Jersey 31 (Coleman 18), Seattle 30 (Payton 18)

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C: H: Murrington

SPORTS

Georgia, With a 5-0 Waltz, Hands Wales Worst Defeat

Compiled by Our Staff From Dispatches
LONDON — The unfashionable soccer nations of Croatia, Georgia and Israel stole the limelight Wednesday on a night of surprises in European Championship qualifying matches.

Croatia stunned three-time world champion Italy, 2-1, in Palermo to remain unbeaten and open a three-point lead atop Group 4.

Georgia, which started playing internationally only two years ago, posted a 5-0 victory in Tbilisi and handed Wales its biggest defeat since 1953.

While Israel's 2-0 success against Azerbaijan in neutral Turkey was not in itself an upset, what was surprising was that Israel ended the night in second place in Group 1 behind Romania to remain on course for its first appearance in a major international final.

Although the qualifying competition does not end until November 1995, the credentials of Group 1 rivals France and Poland were put in doubt after Poland failed to beat a 10-man French team in Zabrze.

France, despite its third successive 0-0 draw in the group, could arguably claim a moral victory after having midfielder Christian Karembeu of Nantes sent off for bringing down Roman Kosecki from behind in the 50th minute.

Macedonia also raised the flag for the newly emerging soccer nations of eastern Europe with a creditable 1-1 draw in Group 2 against Belgium in Brussels.

Sweden got a 2-0 victory over Hungary, but playmaker Tomas Brodin suffered a suspected broken ankle.

Spain continued its decade-long jinx over defending champion Denmark with a 3-0 victory in Sevilla, its fifth over the Danes in major championship matches going back to the 1984 European championship semifinals in France.

The result maintained Spain's 100 percent start in Group 3 and left it five points clear of the pack, which includes the champions, Belgium, Cyprus — 2-0 winners over Armenia — and Macedonia.

But not all of Europe's giants ended the night with red faces. Former world champion Germany survived a potentially awkward trip to Tirana with a 2-1 win over Albania in Group 7, while Bulgaria beat Moldova, 4-1, in the same section to lead the group.

Norway leaptfrogged above the Czech Republic and the Netherlands to lead Group 5 after it won, 4-0, in Belarus as the Czechs and Dutch drew 0-0 in Rotterdam.

And the Republic of Ireland maintained its unbeaten start with a third successive win in Group 6, thumping rival Northern Ireland, 4-0, for a first win in Belfast.

The Irish lead Portugal, who also have a maximum haul of nine points from three games, on goal difference.

Greece also maintained its perfect start, beating San Marino by 2-0 at home. The Greeks lead Group 8 with nine points, ahead of both Scotland and Russia on seven following the 1-1 draw in Glasgow.

Wales's loss, coupled with a 3-2 defeat last month in another former Soviet republic, Moldova, all but closed the door on

Welsh hopes for qualifying for the finals. Wales must play four of its seven remaining games against group favorites Germany and Bulgaria.

"The players and myself are ashamed," Wales' manager, Mike Smith, said. "We should have done a lot better than that. How can I sum up a game like that? They were far better than us."

In numerical terms, it was Wales' biggest defeat since a 6-1

loss to France in 1953. Georgia, which is playing in the European for the first time since gaining independence, scored its first goals and earned its first points in the competition. It had previously lost to Moldova and Bulgaria.

Although Smith could not call upon Manchester United winger Ryan Giggs, who missed the game through injury, his strikeforce had another United star, Mark Hughes, as well as Liverpool's Ian Rush and Dean Saunders of Aston Villa, some of Europe's most feared strikers.

But it was the Welsh defense that was repeatedly torn apart by Georgia's swift forwards. Tamariz Katsabaia scored twice, and other goals came from Giorgi Kinkladze, Gocha Gogrichiani and Shota Arveladze in front of the joyous 25,000 fans at Dynamo Stadium in Tbilisi.

In Stockholm, Brodin scored one goal and set up Martin Dahlin for another. But Brodin, 24, the only Swede named to the World Cup All Star team last summer, left the game in the 70th minute.

He was brought to hospital

for X-rays and the team doctor, Jan Ekstrand, said, "It appears to be a fracture. Tomas told me it was very painful. After X-rays we'll decide if surgery is needed."

Brodin, who also plays for Parma in the Italian league, was injured when he set up Dahlin for the go ahead goal with a cross from the left 20 minutes from time.

In Brussels, top goalie Michel Preud'homme made a beginner's error to hand Macedonia its upset 1-1 draw.

The poor home result left the Belgians struggling to keep up with Spain and Denmark in the race for the top places in Group 2.

Before the game, Belgian coach Paul van Himst predicted the Macedonians would dig-in at the back and strike with rapid counter-offense. He was proved right, and after a first-half with nothing to do, Preud'homme was caught cold just five minutes after the break.

The man voted best 'keeper in last summer's World Cup, came out to meet a long, looping ball from Vujadin Stanjokovic. But he fumbled his catch and the ball bounced clear to striker Zoran Boskovski.

With the finest of touches, Boskovski flicked the ball with his right foot and it trickled over the line for a 51st-minute equalizer that stunned the 18,000 crowd.

In Palermo, Sicily, striker Davor Suker scored one goal in each half to give Croatia a 2-1 upset against Italy.

Italy's first defeat of the tournament, in the game marking the comeback of star-forward Roberto Baggio, left the "Azzurri" with four points — a qualification chances in jeopardy.

Suker, who plays with Sevilla in Spain, kicked in the first goal in the 32d minute, with a left drive from five meters. Italian goalie Gianluca Pagliuca touched the ball but could not stop it.

The Croat forward made it two in the 58th, with a perfect header as the Italian defense proved unusually erratic and hesitant following the retirement of longtime captain-sweeper Franco Baresi.

Dino Baggio, the strongly-built midfielder who plays with Parma, headed in Italy's only and useless goal in injury time, the 92th.

In the rain at Trabzon, Turkey, Israel kept second place after goals from Ronen Harazi, in the 30th minute, and Ronnie Rosenthal, in the 51st. Israel has six points from three games, one point behind last Romania. Azerbaijan has lost its three matches and has yet to score.

European governing body UEFA ordered the match played at a neutral site because of civil unrest in the former Soviet republic. Some 5,000 Azeri fans made the trip.

UEFA suffered a setback Wednesday in its bid for total control over television rights of Champions' League matches.

A Bern appeals court upheld an earlier ruling by Bern's judicial office in favor of a Swiss-based company, CWL Television. CWL had filed a complaint that UEFA's claim to be the exclusive owner of commercial rights to the Champions League violated Swiss laws on unfair competition and cartels.



Boris Becker made it two straight over Pete Sampras.

Becker Adds Sampras To Novemberfest List

By Christopher Clarey
Special to the Herald Tribune

FRANKFURT — The city of Leimen, where Boris Becker was born and raised to be both his own man and a tennis star, is less than an hour's drive south of this banker's paradise (a tourist's paradise, it is not).

And it seems that whatever version of Becker steps onto the powder blue surface inside the Festhalle, he is suddenly pulled back in time: back to a less complicated era when he had fewer worldly distractions swirling through his head, back to an era when he played with unadorned power and unwavering faith in his ability to rear back and hit line after line.

The last time he held court here, in 1992, he ended up winning the IBM/ATP Tour World Championship on his 25th birthday, blowing past everything except the trick catches that the tournament organizers placed on his cake for the post-match celebration.

This year, his 27th birthday falls on the Tuesday after the tournament, but judging from his performance in his first two round-robin matches, there

could well be another Novemberfest in store for the local hero who, since winning Wimbledon at age 17, has doubled as a national icon.

On Tuesday, Becker survived a slugfest with Goran Ivanisevic, winning in a third-set tiebreaker. Wednesday, in a banner-infested atmosphere that made Davis Cup seem bipartisan in comparison, he was considerably more impressive, disposing of world No. 1 Pete Sampras 7-5, 7-5.

"I think that is the best he has ever played against me," Sampras said.

The victory, featuring some remarkable second serves and backhand returns from Becker, evened the German's career record against Sampras at 5-5 and all but guaranteed him one of the White Group's two spots in Saturday's semifinals.

"It makes me try just a little bit harder," said Becker of the home crowd's enthusiasm. "It's because they support me so much, and they expect so much of me. I want them to have a very good feeling when they go home at night. I think they had a pretty nice two days."

While Becker was beating

Sampras in straight sets indoors for the second time in a month (he won 6-4, 6-4 in the semifinals en route to victory in Stockholm), Stefan Edberg was making a successful start by beating Ivanisevic, 6-3, 6-4.

Sampras now has to beat Edberg on Thursday to remain in the tournament, while Ivanisevic, a semifinalist the last two years, was eliminated with his 0-2 record.

Ivanisevic served 26 aces in losing to Becker, but managed only six against Edberg. The Swede got only three, but he also made a lot fewer errors.

Michael Chang kept alive his relatively slim hopes of advancing out of the Red Group by crushing Spain's overmatched claycourt specialist Alberto Berasategui, 6-1, 6-0, in 43 minutes. It was the most lopsided result in this eight-man tournament since it moved from Manhattan to Frankfurt in 1990, and it smacked of piling on, considering that, on Tuesday, Berasategui was beaten, 6-2, 6-0, by another American baseliner, Andre Agassi.

Luckily for Berasategui's self-esteem, he has an excuse: an injury to his right thumb suffered during a sprawl in the third game of the Agassi match. "Maybe Michael would have beaten me, but I don't think it would have been 6-1, 6-0," said Berasategui, when asked the effect of the injury.

The Spaniard, a finalist at the French Open, played in small-money South American claycourt tournaments during the last month in a longshot and ultimately successful attempt to qualify here. He considered not playing Wednesday after feeling pain during a morning warm-up, but after consulting with tournament physician, Hartmut Krah, he took the court with a wrap on his thumb.

"I wasn't 100 percent able to play, but I think I work hard enough to make it here," said the seventh-ranked Berasategui, who needs to stay in the top eight to guarantee himself a shot at a lucrative bonus pool in 1995.

In recent years, there would have been no way for Berasategui to fall out of the top eight in Frankfurt. But because of a recent and somewhat controversial rule change, alternate Michael Stich, ranked ninth, could have bumped him down by playing. Until this year, alternates who joined the event in midstream were eligible to win only prize money; now, they can earn ranking points and even qualify for the semifinals.

One member of Berasategui's entourage who preferred to remain anonymous said he had the impression that the tournament management would have been happy to see Stich, a German whose game is infinitely better suited to this surface, take the Spaniard's place.

"Nobody put any pressure on Alberto not to play," said the tournament director, Zeljko Franculovic. "I like the players who qualify to play. I don't want anybody to pull out. It's not a natural thing."

Becker's ease on an indoor surface also can seem less than natural at times. With no wind, sun or dust to bother his pale blue eyes or flat, high-risk strokes, he can swing even more freely than usual. And when he is in good condition, as he is now, he closes on the net and covers it as well as anyone in tennis.

"He is a lot better player indoors than out," said Sampras, who looked off rhythm throughout the match and uncharacteristically spent some of it mulling to himself.

"I really didn't have any chances," he said. "I had two break points, and I didn't get a racket on his serve. He hit two aces. So, too good."

For Navratilova, a Gracious Exit

By Robin Finn
New York Times Service

NEW YORK — She wore her heart on her sleeve, and for 22 years she jammed her backhand volley — one that won't be replicated and was rarely returned — down the throats of any and all opponents who weren't savvy enough to get out of harm's way.

But in the opening round of the Virginia Slims Championships at Madison Square Garden, Martina Navratilova, generally regarded as the finest woman athlete to grace the sport of tennis, played her last singles match under the same prestigious roof where she'd earned a record 18 titles.

Pitted against one of the strapping young women whose demolition-style ground strokes had lately become the bane of her competitive existence, Navratilova was defeated, 6-4, 6-2, by Gabriela Sabatini. Navratilova, who waved a white towel in appreciation of the standing ovation she received, gradually threw in the towel in resignation.

Between Sabatini's brassy top-spin ground strokes, devilish backhand lobs and the searing passing shots she delivered with a rickety twist of her body, Navratilova could barely get a shot in edgewise.

"I don't know whether I should cry or laugh," said Navratilova, who owned a 15-5 career record against Sabatini before this match, when the Argentine's adrenaline and unrelenting demeanor proved superior to her own.

"I got blown off the court, but if I had to lose my last match, I'd probably rather lose it to Gabriela Sabatini than anyone else," she said of the gracious victor, who embraced her and apologized to her as they met at the net for the ritual handshake.

"I couldn't wait to finish this match, to have it be over," said Sabatini, who called Navratilova the best volleyer ever. "She's so talented, she can do anything, and she's almost 40, and for tennis, that's a lot of years."

After the Tuesday night defeat, Navratilova, whose finest moment this year came at Wimbledon, where she fought her way to the final of the grand slam she'd won a record nine times, was party to another piece of history. A commemorative banner, the first tribute of its kind to any non-Knick or Ranger, was raised to the Garden's rafters, and on a less somber note, she jumped for joy as Virginia Slims, her sport's long-time sponsor, gave her a Harley-Davidson motorcycle.

Navratilova collected a record 167 titles over a tennis lifetime that spanned, and often transcended, three generations. She accumulated 19 grand slam singles crowns, the first at Wimbledon in 1978 and the last, back on the lawn she most cherished, at Wimbledon in 1990.

She held the No. 1 ranking on nine separate occasions, dominated the circuit with her record 74-match unbeaten streak in 1984 and, as accomplished in doubles as she was as a soloist, she and Pam Shriver captured 20 grand slam titles and a record 109 titles overall.

But this year, closing in on her 38th birthday and tired, despite her tenacious grip on a top-five ranking, of the emotional and physical strains that inevitably accompany any champion, Navratilova decided to call it quits while the call was still hers to make.

This loss effectively brought closure to an epic career, and it also removed the last and only pure serve-and-volleyer from a game that is, according to Navratilova, in danger of turning generic.

Navratilova, who kept her composure before, during and after this last and long-awaited match, said it was far too early for her to feel relief about finally achieving release from the competitive crucible.

"I wanted this week to last," she said. "I'm upset about the match — she just ran me over — and now the career's finished as well. There's a lot of emotion going on in my head and my heart, but during the match I



Navratilova: "I don't know whether I should cry or laugh."

was too busy backpedaling to get emotional about anything else. And then, at match point, I thought, 'O.K., this is the last point I'll ever play.'"

Using lobs and passing shots to prevent Navratilova from establishing herself at the net, Sabatini got the first break of the match in the 5th game and took a 3-2 lead. But with a forehand drive of her own, Navratilova broke right back for 3-3 with a sideline-skimming shot she punctuated with a one-word complement, "Yes!"

Her charge proved short-lived, though, and Sabatini, playing on instincts oblivious to the tensions inherent in this encounter, broke her again for a 4-3 lead. This time it was a cross-court backhand that passed Navratilova and nearly severed her sneakers in the process of putting her back into deficit position.

Sabatini kept Navratilova pinned to the baseline and held serve for 5-3, and after Navratilova, amid a stream of self-castigation, held for 5-4, the 9th-ranked Argentine used a service winner to complete a set she had begun with a pair of double faults.

Navratilova got off to a 2-0 lead in the second set, but Sabatini soon corrected that, and in the 5th game she broke Navratilova a second time and took a 3-2 lead. Navratilova didn't even bother chasing the forehand return that Sabatini used to break for 5-2, and she hit her last ever singles shot, a backhand that drifted away off the court just ahead of her, at match point.

In other first-round singles matches, top-seeded Steffi Graf defeated Brenda Schultz, 7-5, 6-3, and No. 4 Jana Novotna eliminated Iva Majoli, 6-2, 3-6, 6-1.

The Goal Scoring

- Group 1
Azerbaijan & Israel 2
Scorers: Ronen Harazi (41st), Ronen Kosecki (51st).
- Group 2
Sweden 2, Hungary 0
Scorers: Tomas Brodin (44th), Martin Dahlin (70th).
- Group 3
Spain 3, Denmark 0
Scorers: Juan Arza (14th), Luis Enrique Martinez (19th), Luis Enrique Martinez (25th).
- Group 4
Belgium 1, Macedonia 1
Scorers: Zoran Boskovski (54th), Zoran Boskovski (54th).
- Group 5
Norway 4, Czech Republic 0
Scorers: Jonny Johansen (14th), Roy Knudsen (17th), John Steinhilber (28th), Andy Townsend (30th).
- Group 6
Ireland 4, Northern Ireland 0
Scorers: Aidan Harte (14th), John Sheridan (28th), Andy Townsend (30th), Andy Townsend (30th).
- Group 7
Portugal 2, Albania 1
Scorers: Tahir Kurbosji (31st, 49th), Goran Kinkladze (41st), Gocha Gogrichiani (51st), Shota Arveladze (51st).
- Group 8
Greece 2, San Marino 0
Scorers: Nikos Machalos (22nd), Costas Fotoulis (27th), Nikos Machalos (22nd), Costas Fotoulis (27th).
- Group 9
Scotland 1, Russia 1
Scorers: Scott Smith (17th), Dmitri Radchenko (25th).

CROSSWORD

- ACROSS
1 Overabundance
5 More expeditious

- 15 Superior
16 Secret
17 Corrupts
18 Granitic-like rock

- 19 Poetic tribute
20 Actress Winwood
21 They're usually found in beds
22 Ork's river
23 Her neighbor
24 Change the sticker
25 Newspaper Lindstrom
26 S-shaped molding
27 City with a view of Mt. Everest
28 Some stitches
29 Wedding column word
30 Ball
31 Factory feature
32 Lawyer Roy
33 Appetite
34 Sewing machine attachment
35 Warrant
36 Prophet
37 Cut into kabobs
38 Apollo 7 astronaut
39 Jazz org.
40 It follows San or Dan
41 Splitting
42 Some chalcidoides
43 Made tracks
44 Holiday Inn alternative
45 Longer

- 3 Sequential
4 Paris's La Fayette
6 It's behind the altar
7 Legendary test source
8 Heated, as glass
9 Balloon
10 Follow
11 Gaelic
12 Furl res.
13 Vessally
14 Bostrix Potter character
15 Psa, e.g.
16 Moon of Uranus
17 More oblique, colloquially
18 Of a particular locale
19 Corn flour
20 Moves at a snail's pace
21 Prodes
22 Wapiti
23 Resin
24 Gittery, as a gown
25 Confidentially
26 Most enthusiastic
27 Sale incentive
28 Dancer-across Rivera
29 "Rapper" of verse
30 Tale of derring-do, e.g.
31 Study feverishly
32 Yeann
33 Deface
34 Undisciplined
35 "I Love Her"
36 Thousand, to a year
37 Soccer maneuver

